

Page 185

1 are two of those inspections that are
2 called for, and we divided the time and
3 slotted it in. If the CLEC wishes to make
4 those inspections, all they have to do is
5 declare that. The collocation project
6 manager will coordinate it. There is a
7 little bit of advanced notice.

8 This is not intended to be hard
9 coded. It's only in Week 6. This is
10 sometime before Week 6.

11 MS. ERVIN: So in actual
12 practice, there are frequently visits to
13 the site before that Week 5 or Week 6.

14 MR. FRITTS: There can be
15 at the CLEC option.

16 MR. SRINIVASA: So in
17 process.

18 MR. FRITTS: Yes, in
19 process. Two for the 90-day interval,
20 active CO space scenario. So, again,
21 moving down -- and we were at the before
22 Week 6 in that optional mid construction
23 visit. Immediately after that -- and I
24 don't recall that we got it on the sheet --
25 but if the CLEC has elected to install the

Page 186

1 POT frame, then there will be some
2 scheduling and coordination done prior to
3 Week 7, because -- and if you turn the
4 page, you will note that the POT frame
5 installation is due before Week 9, and that
6 is if Southwestern Bell does the POT frame
7 or if the CLEC does the POT frame.

8 Beginning with the line from
9 before Week 8 on to the end of the project,
10 as you can see, that's where the
11 collocation project manager's functions
12 really increase. They are making visits.
13 They are doing quality reviews. They are
14 doing maintenance reviews. They are
15 communicating with all of the involved
16 departments.

17 They are checking actual dates
18 compared to projected dates and being sure
19 that that project either remains ahead of
20 schedule or on track. The next point of
21 interaction is with the provision -- is
22 with the -- providing the preliminary point
23 of termination information. Now, this is,
24 again, a recent change.

25 This has been covered by an

Page 187

1 accessible letter, and this was the
2 accessible letter CLEC 99-008, which speaks
3 to, effective two-fifteen, will have at the
4 option of the CLEC to provide preliminary
5 POT frame information prior to Week 10.

6 Otherwise, it is APOT, which is
7 the final version of the point of
8 termination information is provided before
9 Week 12. That is a new and recent change.
10 We have another escorted collocater visit
11 at their option, slotted it before Week 11,
12 but there's flexibility in the schedule to
13 accommodate the CLEC requests.

14 Then you wind down to project
15 completion, a completion of punch-list
16 items. Just before the project completes,
17 the collocation project manager contacts
18 the CLEC, schedules the walk-through, goes
19 ahead and conducts that walk-through within
20 five days of completion, and turns over the
21 keys, turns over the badges, key cards or
22 whatever is necessary and covers all of the
23 pertinent operational details about access
24 to the buildings and the rules of the road.

25 And I think at this point I'll

Page 188

1 let Dennis go into much more detail on the
2 construction phase.

3 MR. SOLIS: Fred Solis, ICG.

4 There are some instances where -- when
5 instead of receiving 100 square feet we get
6 like 97 or 96. What happens at that time,
7 or there is an objection in the middle of
8 room that I cannot place my equipment.

9 MR. FRITTS: Now, if there
10 was an obstruction in the middle of the
11 room -- I want to be sure I'm understanding
12 you. Are you indicating that that was new
13 information, that you didn't see it until
14 the walk-through or it --

15 MR. SOLIS: Correct.

16 Because I didn't make a previsit.

17 MR. FRITTS: Okay. But
18 anything in the middle, like a column or a
19 bay or something like that, would be on the
20 floor plan, which goes over with.

21 MR. SOLIS: All right.

22 Sometimes it's not.

23 MR. SRINIVASA: In addition
24 of that information --

25 JUDGE FARROBA: Okay. Just

Page 189

1 a second, everybody. One person at a time,
2 please.

3 MR. SOLIS: Yeah. We have
4 an example where the floor plan when it
5 came to us it showed that there was a
6 column taken out six inches, and in reality
7 it was more like 18 inches.

8 MR. FRITTS: Is this an
9 active case?

10 MR. SOLIS: Yes, sir.

11 MR. FRITTS: Recent case?

12 MR. SOLIS: Yes.

13 MR. FRITTS: All right. And
14 I think you have been asked for some
15 information on that, and then it would go
16 to the account manager for resolution.

17 I think — and that is current,
18 and in Texas we spoke of that. That is
19 active and there will be resolution to that
20 issue.

21 MR. SOLIS: What about the
22 place where instead of 100 feet I want to
23 get 96? Do I get it prorated?

24 MR. FRITTS: Well, isn't
25 that the exact case you're describing,

Page 190

1 where the column is —

2 MR. SOLIS: Well, there are
3 two different cases here. One of them has
4 to do with the obstruction being there, and
5 I wasn't aware of that obstruction being
6 there and, two is, I paid for 100 square
7 feet and I'm only getting 96.

8 MR. FRITTS: I think, again,
9 we would need the details of that and then
10 get it to the account manager and resolve
11 the issue. I'm assuming both of these were
12 in Texas?

13 MR. SOLIS: Yes.

14 MR. FRITTS: If there is one
15 where we had a problem with the floor plan,
16 you know, especially we would want to run
17 that back. Any obstruction or anything in
18 the middle of the room or to the side of
19 the room should be detailed out on the
20 floor plan and that's clearly under the
21 requirements.

22 JUDGE FARROBA: Do you have
23 a defined procedure if situations — when
24 situations like this come up, how they are
25 addressed? And when you say "it goes to

Page 191

1 the account manager," it goes to the
2 collocation account manager or it goes to
3 the LSC account manager or —

4 MR. HUTCHINS: It would go
5 back to the collocation account manager.

6 JUDGE FARROBA: Is there a
7 procedure or —

8 MR. HUTCHINS: If you will,
9 I would like to address that. I had the
10 opportunity to visit this particular issue
11 earlier this week with this client. And
12 what we agreed to do was — I said if
13 that's the case, then what I need for you
14 to do is to submit to Southwestern Bell
15 your understanding of it, in that furnish
16 to us what we provided to you as a floor
17 plan, and then the actual floor plan, if
18 you will, your drawn, measured, scaled
19 floor plan and submit it to us with a
20 narrative write-up and let us respond to
21 you for those incidents.

22 And I said, and when we get those
23 in our hands we will review them and get
24 back with them on what our options would
25 be.

Page 192

1 JUDGE FARROBA: What's the
2 time frame on your response?

3 MR. HUTCHINS: Well, upon
4 receipt of that information, there are no
5 guidelines to cover that.

6 MS. NELSON: And wouldn't
7 you have that information if it's your
8 property and you —

9 MR. HUTCHINS: Yes. What we
10 submitted as the floor drawing. That's
11 correct.

12 MS. NELSON: Right. And you
13 would know what obstructions are there now.

14 MR. HUTCHINS: That is true.

15 MR. KROST: This is Dennis
16 Krost. I think we're talking about, you
17 know, in Week 1 the goal is to meet at the
18 site and review the site and take all those
19 dimensions. I think — and I haven't seen
20 this particular case, but it's probably a
21 mistake in dimensions or something on the
22 plan. That kind of thing would have to be
23 resolved as it comes up.

24 JUDGE FARROBA: But I'm just
25 trying to understand how much delay, if

Page 193

Page 1

1 any, this adds -- well, how much delay this
2 adds to the process.

3 MR. HUTCHINS: Well, this
4 job is complete. This is no longer an
5 active job in progress. This is a job
6 complete, accepted by the client, and upon
7 further review have determined the
8 situation to exist. And I said, well, then
9 you need to submit to me information about
10 that with the details in it so we can
11 review it and respond back to you.

12 MR. SRINIVASA: And the
13 floor plan is given to them if there is an
14 obstruction which you're aware of. In the
15 plan that you provide to them, do you note
16 that usable space is 96 square feet, even
17 though you requested 100 square feet? Say,
18 in this instance, it does notify that.
19 Correct?

20 MR. HUTCHINS: If you will,
21 just a moment. Thank you. I wanted to
22 clarify, because it's my understanding that
23 on those issues, if there is an obstruction
24 that is going to encroach upon the space
25 allowed in the cage that the dimensions of

1 diagram that you provide. There is an
2 obstruction that we have provided
3 additional space in this area, and the CLEC
4 who requested space will have an
5 opportunity to review. Is that correct?

6 MR. KROST: Yes.

7 MR. SAUNDERS: Allen
8 Saunders, Southwestern Bell. I noticed
9 there is some confusion. I think when you
10 see columns on that plan, if they are not
11 called out building columns then it may be
12 construed as being something else other
13 than the building column.

14 We're trying to address that by
15 having these building columns labeled now
16 on the plan. So --

17 MR. SRINIVASA: Not just a
18 square not knowing --

19 MR. SAUNDERS: Right. And
20 also now we have POT bays outside the
21 cages, and they could look like a column as
22 well. We have those tagged as well.

23 MR. SRINIVASA: Okay.

24 MR. KROST: This is Dennis
25 Krost, Southwestern Bell. I'm the director

Page 194

Page 19

1 that cage would be extended to be able to
2 provide the 100 square feet.

3 In other words, it may be beyond
4 a 10x10 cage to compensate for the four
5 square feet of lost space due to an
6 obstruction if that was the case.

7 MR. SRINIVASA: Would it be
8 usable?

9 MR. HUTCHINS: Yes. Yes.

10 MR. SOLIS: Well, that's
11 probably the ideal answer. But, like, it
12 was right in the middle of the room. I
13 have to split my line up, putting one bay
14 on one side of the column and another bay
15 on the other side because this thing was
16 right in the middle.

17 So -- and I think what happens
18 here was that we didn't have a previsit
19 visit. We took the collocation because
20 that was the first time we had seen it.
21 That was the point in case.

22 MR. SRINIVASA: Essentially
23 there will be a procedure under those
24 circumstances. If there is an obstruction,
25 at least you would note that in the plan or

1 of design and construction for real estate.

2 My group supports about 20-some
3 million square feet in Texas, and we're
4 responsible for the real estate build-out
5 the design and construction of the actual
6 cage and the space. I'm going to cover on
7 the same 90-day interval the column that is
8 headed Corporate Real Estate, and also I'm
9 going to address some of the issues in the
10 transmission engineering and the power
11 engineering column on the far right.

12 Both of these processes kind of
13 parallel each other. There are similar
14 events going on between the two
15 organizations as the project moves through
16 the time frame. Basically there is four
17 phases to the real estate portion of the
18 work.

19 There is the first phase which is
20 what we call the construction document
21 phase. During that period, outside
22 consultants, both architects and engineers,
23 are preparing the construction documents
24 for the actual build-out of the space in
25 advance of submitting those for building

Page 197

1 permits from the local authorities in the
2 various cities where the central offices
3 reside.

4 The second phase of the work is
5 the bidding and the permitting phase.
6 During that period, after the plans have
7 been completed, the general contractor is
8 submitting -- is getting bids from
9 subcontractors for the various type of work
10 that has to be done in this build-out at
11 the same time that the application with the
12 local authorities for building permits is
13 taking place.

14 The third phase of the work is
15 really the construction field work. That's
16 the work that is actually going to take
17 place by subcontractors in the office.
18 That starts after building permits have
19 been obtained. Then the final phase, as
20 Bill has talked about, is a punch-list
21 phase where we check to be sure that what
22 is in the field is in compliance with the
23 construction documents before the turnover
24 to the collocator.

25 So as you kind of step through

Page 198

1 this, if you look at this, Week 1 to Week 3
2 really is the construction document phase,
3 the activities going on there. That's the
4 site visit. It's also this discussion we
5 had previously about firmed-up floor plans.
6 All those kinds of activities are taking
7 place.

8 In addition to that, our
9 consultants are developing the actual
10 construction documents. So they are taking
11 all of this information from the site visit
12 and from the collocator and developing the
13 actual construction documents in that
14 period of Week 1 to Week 3. If you look
15 over on the far right, the transmission
16 engineering and power engineering, they are
17 going through a similar kind of a thing.

18 They are beginning to get their
19 equipment orders put together during this
20 three-week phase. Week 4 and Week 5 we
21 begin to move into what we call bidding and
22 permitting. Also an activity that takes
23 place during that period is asbestos
24 removal, if required. But this is the
25 period where the general contractor is

Page 199

1 getting bids from subs, putting that
2 contract all together, and the building
3 permit process is underway with the local
4 authorities.

5 On the engineering side of the
6 house, they are continuing with their
7 equipment orders, firming those up, and
8 beginning to move into what they call
9 detail engineering. The third phase really
10 begins at Week 6. That's the construction
11 phase.

12 That's when all of the
13 construction documents are completed, both
14 for real estate and on the equipment side,
15 and the project really moves into
16 construction of the physical work in the
17 space. And that runs from Week 6 through
18 Week 11. There is a couple of milestone
19 dates in there that you will see. In
20 Week 8 there is a cage ready date.

21 That is kind of a milestone.
22 That's the date that we have the cage in
23 place. If you look over on the far right
24 on the equipment side, you will see a POT
25 frame installation complete date. That's

Page 200

1 kind of a milestone for them. As this
2 project moves through to basically Week 12
3 is devoted to the final punch-list
4 check-out to make sure that all the
5 construction activities have been completed
6 in compliance with the construction
7 documents.

8 We make any corrections or
9 adjustments before we hand the cage off in
10 the week following Week 12.

11 MR. SRINIVASA: So, now,
12 from the document preparation is -- it's
13 about Week 2 through week -- that's one
14 week. No. Actually --

15 MR. KROST: Three weeks.

16 MR. SRINIVASA: -- three
17 weeks. Then the actual bidding and
18 construction, that's a two-week process.

19 MR. KROST: That's right.

20 MR. SRINIVASA: The general
21 contractor you have already selected. Is
22 that in different areas you have
23 preselected a contract or is it a change to
24 their contract? How does it work, or do
25 you have to bid it every time?

Page 201

1 MR. KROST: The
2 subcontractors are bid. The general
3 contractor is the same contractor.
4 MR. SRINIVASA: So it's just
5 a change. So the general contractor goes
6 out and gets the subcontractor.
7 MR. KROST: That's correct.
8 Well, there are multiple subcontractor
9 bids.
10 MR. SRINIVASA: Any
11 questions?
12 MS. KRABILL: This is Nancy
13 Krabill, with NEXTLINK. I probably should
14 have asked these questions earlier but
15 (inaudible). There is a price element —
16 we asked the question to Southwestern Bell.
17 I got an answer back and I don't really
18 understand it. There is a price element in
19 the tariff that's called the additional
20 infrastructure area charge where when
21 you're building out the cage, when you
22 first go out and build an infrastructure
23 area under this, really like 400 square
24 feet out, and when those 400 square feet
25 get build out, is everything else an

Page 202

1 additional infrastructure area charge, or
2 do you ever go out and build out some more
3 400 square feet?
4 The reason I ask is because it's
5 a lot more expensive. In your view one
6 CLEC is paying the brunt of all the
7 infrastructure yourself rather than
8 building it out four ways as you would in a
9 normal area. In Dallas, for example, most
10 of our collocations were additional
11 infrastructure area charges.
12 It seems to me on the face of it
13 that what happens is when you run out of
14 additional an four square foot space you
15 don't build-out any more and everybody is
16 paying an equal infrastructure area charge.
17 To me it makes sense that if you have an
18 existing space and you want to additionally
19 build out from that (inaudible) of next
20 door to it, then it would make sense, and I
21 can see why (inaudible) bear the brunt of
22 all those expenses.
23 But when I'm going in there for
24 the first time, it's not clear to me why
25 that comes up so often.

Page 2

1 MR. KROST: This is Dennis
2 Krost. Typically what happens is we build
3 out the model, and when the additional
4 infrastructure charge applies, it's when
5 adjacent space is available to the initial
6 model.
7 We start a new model when there
8 is no additional space adjacent to the
9 cages, and then we start over the process
10 with a new model.
11 MS. KRABILL: Do I have an
12 opportunity — I don't want to be paying
13 for adjacent. I don't care where it is, to
14 the extent where my 100 square foot area
15 is. I would really rather you build out
16 another infrastructure area and allow me to
17 share those infrastructure costs with three
18 other collocators rather than having to pay
19 just an additional amount just to be next
20 to the other cages.
21 I mean, the cost difference is
22 pretty big.
23 JUDGE FARROBA: Well, let me
24 just — if — what if in that central
25 office there is actually 600 square feet of

Page 2

1 available space and your model is based on
2 400, and that 400 gets filled. Someone
3 else wants to come in and you still have
4 200 available space. They are not getting
5 charged then for the structure charge
6 for — if they go into that other 200, are
7 they?
8 MR. KROST: There's an
9 additional infrastructure charge rate
10 element in the tariff.
11 JUDGE FARROBA: Even if it
12 was already — I mean, you had available
13 space. You just chose not to use it, build
14 it all out or — wait. I may be missing
15 something here.
16 MR. SRINIVASA: Let me —
17 this process that you describe, this is for
18 active space. That means you already have
19 the infrastructure. So if there was 600
20 square feet and if you classified that
21 office as active, then there is no
22 infrastructure charge even for — no matter
23 whether you get 100 or 200 or 400 or even
24 up to 600. Is that correct?
25 MR. KROST: In the tariff

Page 205

1 there is two separate charges. There is an
2 infrastructure charge for active space
3 also.

4 MS. KRABILL: There is
5 actually two variables. This is Nancy
6 Krabill. One, there is (inaudible) like
7 on/off switches. One is either active or
8 other CO space, and then it's either
9 additional or I guess infrastructure area
10 charge and additional infrastructure area
11 charge, just to give you an idea that the
12 difference in that -- in its charges. For
13 example, a standard charge for active --
14 active CO space for 400 square feet is --

15 MR. SRINIVASA: 6,200 and --

16 MS. KRABILL: Actually it's
17 the next page, (inaudible) for
18 infrastructure are (inaudible) CO space.
19 And other CO space is \$13,000, and
20 Southwestern Bell directs a question
21 (inaudible) answer the question, why is
22 there only other CO space in the
23 infrastructure, why is it always 400 square
24 feet. (Inaudible)

25 Then if you look down, you start

Page 206

1 paying this additional infrastructure area
2 charge. The same 400 square feet, instead
3 of \$8,000 in the additional area, you now
4 are paying \$26,000. And then for
5 (inaudible) happen to be less (inaudible),
6 in the additional infrastructure, now you
7 are talking \$52,000 for what -- (inaudible)
8 we're thinking, "Oh, \$8,000." That's how
9 much it would be.

10 MR. AUNBAUH: If I could,
11 this is Mike Aunbauh, for Southwestern
12 Bell. I think this goes back to questions
13 of how prices got established in the
14 tariff, and I think some of you, I know,
15 recall what we went through, and there was
16 a concern on the part of the Commission to
17 establish average prices.

18 And to do that, we went through a
19 proceeding here and identified a model of
20 here's the model that we want you-all to
21 use so that we can establish average
22 prices, and Dennis Krost actually was here
23 at that point in time and laid out
24 through -- there was a lot of discussion
25 and we settled on this model.

Page 207

1 It's a 750 square foot model that
2 provides for 400 square feet of collocation
3 space, and the Commission used that model
4 to say "here's the prices," and the
5 Commission then also said, if then there
6 are subsequent requests beyond that, here's
7 the prices, and these prices were actually
8 established by the Commission, as you
9 recall, because there was quite a bit of
10 back and forth and the Commission ended up
11 writing the tariff in essence.

12 And so what we're charging is the
13 charges that are in the tariff established
14 because of that average pricing --

15 JUDGE FARROBA: Okay. Where
16 does it say that in the tariff? I'm just
17 trying to --

18 MR. AUNBAUH: Which piece?

19 JUDGE FARROBA: The piece
20 that -- because the prices were developed
21 using a model of 750 square feet with 400
22 square feet build-out; therefore, even if
23 you had additional available space, it's
24 going to be called -- you are going to
25 have the --

Page 208

1 MR. AUNBAUH: I'm sorry. I
2 probably have confused that one. We
3 haven't taken the position that we
4 necessarily are going to build anything
5 other than the model. Our first build-out
6 will be to build a model and hopefully
7 build it in a location where if it needs to
8 be expanded we can.

9 But unless there is specific
10 demand at the time we're doing it, we are
11 going to build the model because that's the
12 price that the Commission established and
13 the costs that were allowed to recover. If
14 in some situation we build six cages
15 instead of four worth of space, it wouldn't
16 be an additional infrastructure charge, but
17 that's not the normal situation.

18 The normal situation is we built
19 the model that the Commission designated
20 that we build where we can, and then if
21 there is a demand beyond that model, the
22 Commission established the prices that
23 apply to meet that demand.

24 MS. THOMAS: In situations
25 where you have space available for more

Page 209

Page 21

1 than four cages – okay? So you have more
2 than 750 square feet or whatever, then do
3 you go ahead and build four more cages if,
4 for instance, NEXTLINK came in and asked
5 for one more cage space, or –

6 MR. AUNBAUH: Well, Dennis
7 can answer this, Meena, but our normal
8 practice is to supplement that space
9 because it's more efficient just to
10 supplement that space until we can't
11 supplement it anymore, and then we'll go
12 look elsewhere in the (inaudible) to see if
13 there a way to build a second.

14 MS. THOMAS: Okay. And when
15 you supplement it, is that when the
16 additional infrastructure charge applies?

17 MR. AUNBAUH: Right.
18 That's the charge that the Commission
19 determined.

20 MS. THOMAS: But in
21 supplementing it, if you have enough space
22 for four cages, you do not go ahead and
23 build four cages, do you?

24 MR. AUNBAUH: You build
25 what you are asked for.

1 Southwestern Bell proposed that collocation
2 be priced on an ICB basis such that we
3 recover the cost directly from whoever
4 (inaudible).

5 The Commission didn't go that way
6 and went through the tariff process. And
7 there were several hearings and quite a bit
8 of testimony by all the parties on how to
9 do this. And what we have here is the
10 results of that arbitration, and frankly a
11 prescription from the Commission of how to
12 do this.

13 MR. SRINIVASA: The models
14 that were submitted as part of the cost
15 study before the Commission and during the
16 arbitration there was a disputed issue of
17 what should be the size of the model, and
18 the Commission made a cut on what that
19 ought to be and how you price for each 100
20 square feet up to 400 and if the model is
21 750, any additional ones.

22 But then again, there was another
23 thing that was discussed in there. By no
24 means the model was a limiting factor if
25 there was 2000 square feet available. I

Page 210

Page 21

1 MS. KRABILL: But if you
2 only want 200 square feet, what our
3 experience has been is that we pay the
4 additional infrastructure area charge for
5 200 square feet. We don't go out and build
6 400 more square feet, and I just take up
7 half of it and wait for the other guys –

8 MR. AUNBAUH: Because there
9 is no mechanism in the tariff for the
10 sharing or anything else. This was
11 contemplated to be the exception; that is,
12 we build the model, and if has to go beyond
13 the model, the Commission established the
14 charges in their direct charges, and that's
15 just the way it is at this point in time.

16 That's the way it was prescribed
17 by the Commission.

18 MS. KRABILL: See, you-all
19 never thought that you would have more than
20 400 – one 400-square foot area in the
21 whole office.

22 MR. AUNBAUH: Nancy, I
23 don't know if you've participated in that
24 phase of the arbitration, but the
25 Commission in reviewing this, overall –

1 don't think specifically there was any
2 arbitration awards stated that you cannot
3 build a second 400 square feet there.

4 MR. AUNBAUH: Yeah. And I
5 don't know that there was either. I think
6 what was allowed by the Commission, though,
7 was a specific price that requires us to
8 build that model and certainly doesn't
9 incent us to build anything beyond that
10 what the pricing is there, and probably
11 would create disputes if we suggested there
12 should be a higher common area charge
13 because we could build eight cages, but
14 there is only two people there right at the
15 moment.

16 MR. SRINIVASA: Right. The
17 issue was, do you have mostly 750 square
18 foot office. I believe that during the
19 arbitration, one came out that, no, some of
20 the office may have more than that
21 available. 2000 square feet maybe there.
22 There was no way going to limit that
23 available space, the 750 that is contained
24 in the model.

25 MR. KROST: This is Dennis

Page 213

1 Krost. That's correct. I mean, all
2 offices have different amounts of space
3 available. We have locations where we have
4 two models in the same building. Yes.
5 That occurs, where we have two separate
6 models in the same building.
7 MS. THOMAS: So do you-all
8 just go ahead and build two separate
9 models, or is that based on whether you see
10 a demand for it from collocators for more
11 cages?
12 MR. KROST: As the actual
13 demand comes in, we either expand the
14 existing to its capacity when we run out of
15 adjacent space, then we move to a new
16 location, if space is available in the
17 central office.
18 MS. KRABILL: It might be
19 helpful for CLECs to maybe have some sort
20 of guidelines about when this kicks in in
21 the area, because I think that, first of
22 all, it might need to be in the process
23 flow, that (inaudible) so that we know kind
24 of when that happens and how it comes
25 about.

Page 214

1 But basically this is the first
2 time that -- and I appreciate -- this is
3 the first time I've ever understood, and
4 I've been asking since August why we got
5 charged. I gave an estimate to my folks.
6 I was just running down the costs here.
7 (Inaudible) "Hey, it's going to cost us
8 like, you know, '75 or \$80,000 (inaudible).
9 The prices come back of an
10 average of 100,000, averaged over the 11
11 (inaudible) of those that were located in
12 Dallas. Why? And this is a big driver of
13 it, this infrastructure area charge. It's
14 the first time I had ever understood how it
15 really worked.
16 And, to me, they have the
17 ability -- if they have got 400 square feet
18 sitting adjacent to the infrastructure area
19 they could charge four times the 100 square
20 foot area if they chose, and maybe they
21 just make different -- we got off a little
22 better in Houston, I think. We didn't pay
23 quite so many additional structure area
24 charges in Houston.
25 And maybe it's just up to the

Page 215

1 individual building operations guy or -- I
2 don't know how they make that decision, but
3 there needs to be some real clear oversight
4 when this happens, because clearly it's
5 not --
6 JUDGE FARROBA: What is most
7 of that cost? Is it the cage itself?
8 MR. KROST: This is Dennis
9 Krost. Yes. It's the cage, the extension
10 of the cage walls itself.
11 JUDGE FARROBA: I mean,
12 because you're not having to -- if like --
13 if you had 2000 square feet and you only
14 had 400 built out already -- I mean, it's
15 not like you're having to condition the
16 space.
17 MR. KROST: That's correct.
18 It's basically the extension of the wire
19 partitioning makes up and the relocation of
20 the end wall out to some new, depending on
21 what the space requirement is. Now, you
22 will also note that there is no monthly
23 charge associated with the additional
24 infrastructure charge, and there is a
25 monthly recurring rate. Okay.

Page 216

1 So that is part of the difference
2 in the costing, and that was a function in
3 the hearings we had previously.
4 MR. SRINIVASA: I believe a
5 certain percentage of whatever the cost is,
6 even if you going for a brand-new 100
7 square feet as part of the 400, you have a
8 recurring charge and a nonrecurring. Only
9 a certain portion of the total cost is
10 nonrecurring, and the other you are paying
11 on a monthly basis, and this you do not
12 have a recurring charge.
13 MS. LACY: This is Debbie
14 Lacy. And you had referenced it would be -
15 helpful if we showed in our application
16 process where we determined this. And if
17 you will look under the network
18 self-support column before Day 13, I mean,
19 that's when we coordinate the site visit.
20 MS. ERVIN: I'm sorry.
21 Where are you looking?
22 MR. FRITTS: It's in the
23 first handout.
24 MS. LACY: It's in the first
25 handout. And it's before Day 13 when NSS

Page 217

Page 2

1 coordinates the interdepartmental site
2 visit with the various departments. And it
3 talks about how we determine space
4 availability, design of cage, scope of
5 work, and then the next statement is
6 appropriate charges.

7 So during this quote process, we
8 identify if it's initial infrastructure or
9 if it's an extension to that.

10 MS. KRABILL: But it might
11 be helpful — Nancy Krabill — if during
12 that process sort of open the (inaudible) a
13 little bit and brought the collocator into
14 the process and say, "Hey, you know, you
15 are going to get the — you know, have an
16 additional infrastructure area charge," and
17 maybe we can say, "Well, maybe we know some
18 other CLECs that are also" — it seems like
19 it's a decision on Southwestern Bell's
20 part, you would think we're going to have
21 enough rapport or more, and if we don't
22 we'll just (inaudible) you with the 100
23 square feet.

24 I mean, it's probably not
25 anything evil that you're trying

1 group under LPAT.

2 Now, after that point — and I'm
3 going to use an example, because I think it
4 will help me understand the process a
5 little bit better. Let's say that I am
6 having the same cage footprint. I'm still
7 putting in four bays, but I want to change
8 some of the equipment in those bays, not
9 the functionality, but maybe the vendor.

10 Maybe I'm picking another vendor
11 for my equipment. The functionality
12 doesn't change. The initial power
13 requirement doesn't change. The ultimate
14 power consumption or the power requirement
15 might change, but what I — what I need at
16 time zero when I turn up the cage doesn't
17 change. Is that a problem after Week 3?
18 Does that cause a reengineering if I'm
19 making those kind of changes? Is that
20 clear enough?

21 MR. FRITTS: This is Bill
22 Fritts, Southwestern Bell. Let me make
23 sure I understand your question. Is this
24 based on experience or is this a
25 hypothetical?

Page 218

Page 21

1 (inaudible). It's just probably the way
2 people go about doing work, but the end
3 result was that, you know, our costs were
4 pretty high.

5 MR. KROST: This is Dennis
6 Krost, again. I would say there is a lot
7 of situations where that — where space
8 really controls. There is where you can't
9 grow it beyond maybe 100 or 200, and that's
10 the end of it.

11 MS. KRABILL: Well, there is
12 another area in the central office that
13 hasn't been touched on collocation that
14 could be turned into collocation space at
15 400 square feet. (Inaudible) pay more like
16 \$8,000 for 400 square feet versus the, you
17 know, 35. That's — those are some pretty
18 big costs, especially when you're
19 collocating (inaudible).

20 MR. IVANUSKA: I have some
21 questions with regard to the activity. It
22 says before Week 3, which is, I guess, for
23 Mr. Fritts or Krost. You're suppose to
24 receive a final floor plan from the
25 collocator and forward to the appropriate

1 MR. IVANUSKA: Well, I'm
2 guess I'm asking, because I'm wondering
3 about the latitude of changes after Week 3
4 because there are instances that always
5 cause changes. And I know there is a
6 paragraph in the tariff that describes it,
7 but I'm trying to say, in this example, if
8 I change a vendor, I change an equipment
9 vendor, but it's the same type of stuff.

10 MR. FRITTS: Without knowing
11 the exact details and doing the evaluation,
12 I don't know if it would change the
13 interval or not. But I would, I guess, go
14 back to a couple of things, and that is
15 what is included in the application and is
16 spelled out in detail in the tech pub and
17 that's the equipment list, specifications
18 of the equipment so that powering, power
19 consumption, all those factors gets
20 considered, heat dissipation, everything
21 that goes into the finite engineering to
22 support all of the equipment in that space.

23 If you make a mid course change,
24 then that would have to be retransmitted
25 and recalculated. End results? I'm not

Page 221

1 sure without knowing the exact details of
2 the very specific change you're talking
3 about. That would be something that as
4 soon as you detect that you're going to
5 have to make a change, again we have to go
6 back to this two-way communication that
7 starts at that point either with the
8 interconnection manager in LPAT and/or the
9 collocation project manager to get that
10 information communicated and an assessment
11 made as quickly as possible so we know
12 exactly where we are.
13 That's about the best I can do at
14 this point.
15 MR. IVANUSKA: Southwestern
16 Bell will have to go back through and make
17 a recalculation of heat dissipation and
18 power, but in that I think -- what I'm
19 hearing is, depending if the Delta is
20 between what you got on the initial
21 equipment list and their revised equipment
22 list, depending on whether those are small
23 changes or significant changes will
24 determine whether it requires a drop-back
25 to initial reengineering of the whole job.

Page 222

1 MR. FRITTS: I think that's
2 right. And I think what we're saying is
3 that as soon as you determine you have to
4 make a change then that needs to be
5 communicated and a reassessment has to be
6 made. And if it's within bounds, that
7 might dictate whether there is a
8 significant change or not, or if it's out
9 of certain bounds then that would be the
10 guiding factor. ...
11 The only way to know that is to
12 know what change you want to make and work
13 back through that. Whether that results in
14 an ultimate delay, that is to be
15 determined.
16 MR. SRINIVASA: Well, how
17 much --
18 MR. FRITTS: Or I should say
19 a change, not a delay.
20 MR. SRINIVASA: In that
21 case, how much time is involved? You know,
22 to get back to that example, if they pay,
23 they were going to install some (inaudible)
24 equipment and then they change their mind.
25 They want to go with the Fujitsu or

Page 223

1 whatever --
2 MR. FRITTS: Nara, this is
3 Bill Fritts, again, Southwestern Bell. I
4 think that is going to be so much a
5 function of the case that you just have to
6 know the exact details. This may be 100
7 square foot collocation space with one bay
8 change or maybe a 400 square foot with
9 multiple bays. In putting a specific time
10 frame that is good for everything, I think
11 would be very difficult.
12 But I believe that it would be --
13 that we would respond to that as quickly as
14 possible because we are in mid course here.
15 MR. SRINIVASA: What are
16 the -- do you have any guidelines or how
17 quickly you need to respond in situations
18 like that, or is it like -- does it go back
19 to that start from Day 1 all the way --
20 MR. FRITTS: I don't know
21 that there are specific guidelines out
22 there, but I think there are just general
23 methods that we should follow that apply to
24 the CLEC and to us, and that is if the
25 change needs to be made it needs to be

Page 224

1 communicated timely.
2 We need to respond to that in a
3 timely manner, and then we have to work
4 through the impact of that. All of those
5 possibilities are not defined. The
6 existence of a possible change is there and
7 recognized, and that's why we have the
8 account team and a collocation project
9 manager and we try to work hard at setting
10 up that relationship and getting that
11 communication flow going.
12 MR. SRINIVASA: I see the
13 impact on power usage or maybe because of
14 the heat load maybe the air conditioning
15 may be impacted.
16 Now, when they change an
17 equipment vendor and if our usage
18 characteristics or our heat output is
19 different than what they originally
20 proposed, are you -- you know, whatever the
21 vendor says in their specifications, do you
22 take that at the face value, or is it
23 dependent on -- like, for example, if it's
24 fully loaded, it's going to require all of
25 that, or if they come back and say we are

Page 225

Page 22

1 going to install eight of them initially to
2 get it going, to change the vendor, but
3 before you add on if you need to augment it
4 to install the other two later on, do you
5 give them that opportunity or...

6 MR. FRITTS: This is Bill
7 Fritts, Southwestern Bell. I think we
8 would have to look at that again.

9 There are several different
10 components in the application that need to
11 be populated for that assessment to be
12 made. Not only as I recall the application
13 do they supply the equipment list of
14 equipment to go in, but there is also a
15 forecast of growth.

16 So if you're changing vendors,
17 then maybe the forecast is changing. So
18 it's really making a fundamental change to
19 the project and then you would have to do a
20 reevaluation. The net effect of that is
21 really unknown until you make that
22 evaluation and determine is this a
23 significant change or not.

24 MR. POSCHL: This is Chris
25 Poschl, North Point. I would like to offer

1 that by sharing that information at the
2 time of the floor plan when you-all present
3 the floor plan to the CLEC and outline that
4 the maximum heat dissipation that a CLEC
5 can have or how much maximum floor loading
6 that they can have or how much power that
7 they can consume beyond -- if it goes
8 beyond that, then there is an augment or a
9 change needed because of that.

10 Is that something that is
11 possible to offer that up with the floor
12 plan?

13 MR. KROST: This is Dennis
14 Krost. I think there is a couple of
15 questions. Power consumption, I think, is
16 different because that has to do with
17 specific breaker sizes and all of those
18 kinds of issues.

19 They ought to be code compliant
20 based on loads. The question of HVAC and
21 whether we have the capacity in the central
22 office to carry that has to be an overall
23 evaluation of basically the whole floor,
24 our equipment, plus yours has to be looked
25 at in terms of the overall capacity of the

Page 226

Page 22

1 something up. In building central offices,
2 is there some kind of criteria -- I would
3 like to bring up the word "NEBS" -- in
4 terms of the central offices Southwestern
5 Bell has to provide HVAC sufficient -- HVAC
6 per square foot in a CO to allow for
7 certain heat dissipation, the maximum heat
8 dissipation that a CLEC can put in a square
9 foot in a central office as outlined by
10 (inaudible).

11 And also in terms of -- I mean,
12 just with that information, we provide you
13 this, how much heat dissipation and how
14 much floor loading, how much power we need,
15 how much -- types of facilities we need for
16 that set of equipment. We also kind of go
17 behind the scenes and because our stuff is
18 NEBS comply we understand how much output
19 it's going to have and also new equipment,
20 because vendors are going to come in the
21 same way.

22 I try to offer something up,
23 because I think the CLECs know a little bit
24 of the answer and I think that Southwestern
25 Bell has part of the answer as well, and

1 building.
2 I think that is a different
3 discussion than electrical requirements.
4 How much telephone power are you taking off
5 the power plant is a different kind of
6 situation than air conditioning load.
7 Typically active space has the
8 infrastructure built into it that would
9 handle normal kinds of heat load for
10 telephone equipment.

11 If it gets extremely concentrated
12 for some reason, then we may have to look
13 at a specific air distribution problem.
14 But for typical installations, the
15 infrastructure in the central office can
16 handle those kinds of heat loads unless
17 they get excessive for tacking a lot in or
18 whatever the situation may be.

19 MR. POSCHL: Chris Poschl,
20 North Point. In terms of building the
21 central office for collocation, that area,
22 400 square foot area, the HVAC system that
23 is built for that area, shouldn't that also
24 be built for the maximum heat loss per
25 square foot of that collocated area so you

Page 229

1 I know what the maximum heat would be then
2 already of what that HVAC can handle?

3 MR. KROST: I'm not sure
4 what the question is.

5 MR. POSCHL: In the 400 -
6 or of the 750 square feet that you created
7 or the 400 which you provide to
8 collocators, there's also an HVAC component
9 in your cost structure which should support
10 the heat dissipation of that 400 square
11 feet.

12 MR. KROST: This is
13 Dennis Krost. There is no component in the
14 cost structure if it's in active space,
15 because the assumption is active space has
16 that built into the infrastructure. Only
17 if you get into heat loads, RSMs, those
18 kinds of things, where that would typically
19 exceed some normal installations, then you
20 have a cost factor.

21 But in active space, there is no
22 cost component in our rate structure for
23 mechanical. It's assumed that it's there.

24 MR. POSCHL: This is Chris
25 Poschl again. What I'm trying to offer up

Page 230

1 is that Bellcore has given guidelines on
2 how central offices should be able to
3 handle equipment, and through those
4 guidelines they have identified that they
5 are per square foot, whether it's an
6 enclosed structure or how the equipment is
7 cabinet or framed, if it's open, like an
8 RSM.

9 They have given guidelines on how
10 much heat load that square foot should emit
11 and how much the HVAC should handle. So if
12 it's already central office space that is
13 already available, and then we as a
14 collocator already know that if it's
15 already - if there is HVAC already in the
16 central office, it should handle a maximum
17 of 32 Btu's per square foot even as a
18 collocator. I mean, am I -

19 MR. SRINIVASA: Well, in an
20 active space, if I understand - what
21 you're saying is active space, whether it
22 is vacant where there is no equipment
23 today, you learn sizing your HVAC system as
24 if some equipment was going to be located
25 in that space. Is that correct?

Page 231

1 You would probably - general
2 lighting is three watts per square foot or
3 something. That's how you were sizing your
4 HVAC for areas in which you weren't
5 planning on installing any equipment. Now,
6 in that active space, if a collocator comes
7 back and installs communications equipment,
8 that communications equipment generates
9 additional heat.

10 So are you saying that the
11 rates - if that heat exceeds whatever was
12 initially allocated, then you weren't
13 including the cost associated with that in
14 these rates. I'm trying to get an
15 understanding of what is going on.

16 MR. KROST: This is Dennis
17 Krost. No. The assumption is made that
18 active switchroom space is designed to
19 handle telephone equipment heat loads, and
20 so it's in place and there was no charges
21 in the rate element for mechanical costs
22 because it's already - it's already into
23 the space.

24 It's in the rental rate that
25 we're recovering for the space charge. So

Page 232

1 there is no additional upfront charge for
2 you to put equipment in existing equipment
3 space.

4 JUDGE FARROBA: Okay. It's
5 fascinating to me or - (Laughter) - these
6 details are. That's fine. That's why the
7 lawyers are over here and you guys are over
8 there. But what I'd like to do is if
9 you-all could wrap this discussion up in
10 the next, like, five minutes and then we
11 can take a 10-minute break and then talk
12 about augments.

13 MR. SRINIVASA: That's what
14 this one is leading to, to the augments.

15 JUDGE FARROBA: Right. But
16 I want to take a break before we go into
17 augments.

18 MR. KERSH: This is Mike
19 Kersh, ACI Corp. I think maybe what Chris
20 is alluding to is - and what I hear people
21 saying is, is that there is an air
22 conditioning factor that is figured into a
23 central office space for normal
24 telecommunications equipment, and it's
25 probably figured on, like, a per square

Page 233

1 foot.

2 I mean, my question would be,
3 what is that, because if there is a factor
4 that is figured in and whatever it is, per
5 square foot, then I would know that in my
6 space, if I'm in there, that the building
7 has been designed or the environment has
8 been designed to handle 100 square feet at
9 30 widgets per square foot so I have that
10 much Btu's that I can give off or consume
11 that would -- that I could do before there
12 would be a problem.

13 Because I've got to think that
14 you've designed your buildings or that your
15 design is based on a common square footage
16 and that could just be equated to that. So
17 that would kind of give you a -- you might
18 say a maximum or a level that you could
19 work up to before it became an augment. I
20 mean, I think that's what Chris is trying
21 to say.

22 MR. POSCHL: And -- Chris
23 Poschl. What I'm trying to say is I think
24 that we can answer that question as well as
25 what time period or what changes do we

Page 234

1 cause that would then cause a change to the
2 infrastructure of the environment, but I'm
3 trying to get to that, where I think that
4 we can help out by knowing or -- there's a
5 way to find out, you know, what's in that
6 CO, what is the maximum heat dissipation.
7 Right now I know what I can play with to
8 the point of before I have to change.

9 MS. ERVIN: Is it -- this is
10 Janis Ervin. Sorry. Is it actually the
11 case that you know for the square footage
12 in the particular central office what the
13 heat factors and so on are?

14 MR. KROST: This is Dennis
15 Krost. You know, each office is different.
16 There are some standards that we use, watts
17 per square foot typical. The question
18 comes back to, though, what is the actual
19 load from both collocation equipment plus
20 ours that are affecting the various parts
21 that make up the HVA system.

22 It may be that the chiller -- you
23 have to look at the chiller load. You have
24 to look at the air distribution load. We
25 may have all kinds of capacity in the

Page 2

1 chiller for a variety of reasons that
2 serves that space, but we may have an air
3 distribution problem in a specific corner
4 of the floor somewhere that may be
5 impacting a small load concentrated in a
6 single area.

7 So it's -- there are standards
8 that we design, too, watts per square foot,
9 but offices vary in terms of how much
10 capacity our equipment has, and some of
11 these buildings are very old. They were
12 designed under different standards at
13 different times. So it would be very
14 difficult to give you any kind of one
15 answer.

16 MS. ERVIN: So it doesn't
17 actually seem as though it would be
18 advantageous even to have the information
19 since there are so many other factors
20 impacting it. Is that pretty much what
21 you're saying?

22 MR. KROST: This is Dennis
23 Krost. I think the heat load
24 requirement -- we are just asking to
25 understand what kinds of heat load are

Page 2

1 being placed in the building so that we
2 have that information available to put into
3 our system that kind of monitors all the
4 components of that building so that we know
5 when capacity may be exceeding chillers,
6 air handlers.

7 MR. SRINIVASA: Right. The
8 issue was, if they -- when they first came
9 up with a request for the collocation cage,
10 what they had in mind was a certain brand
11 of equipment that was manufactured to
12 somebody and then you gave them an okay to
13 install it.

14 And during the process of this
15 construction they found out there is other
16 vendor who adds a lot more features to
17 their equipment. So they change their mind
18 and said, "We're going to replace that with
19 a different brand," and they give you the
20 heat load.

21 Now, you know the difference --
22 if that one adds additional heat than what
23 they have given you to start with, are
24 you -- how soon are you going to respond to
25 them? Are you going to tell them that,

Page 237

1 "You can install your equipment, you know,
2 all the way up to this level. Any
3 additional is an augment and we need to get
4 back with you." Are you going to let them
5 know? That's what we're trying to find
6 out.

7 MR. KROST: This is Dennis
8 Krost. I don't know of any situation where
9 we have gotten into a specific type of
10 equipment that -- you know, if it's
11 relatively close in heat release, it's
12 probably not going to have any direct
13 effect right away. It's a cumulation of
14 multiple pieces of equipment is a bigger
15 impact.

16 So, you know, if you get into the
17 kinds of heat loads that are -- if you're
18 changing from transport to RSM --

19 MR. SRINIVASA: Then you
20 would --

21 MR. KROST: -- then, I
22 think, we've got a problem with air
23 distribution probably. We may have the
24 capacity back in the chiller and the air
25 handler, but I may not have the duct run

Page 238

1 blowing the air directly out on the frame.

2 So it's an air distribution, and
3 we tried to do that in the tariff. We
4 acknowledged that RSMs create air
5 distribution problems.

6 JUDGE FARROBA: Okay. Let's
7 take a 10-minute break, and then we'll
8 start -- a 15-minute break and then we'll
9 start.

10 (Brief recess)

11
12 JUDGE FARROBA: Okay. Let's
13 go back on the record. And I think we're
14 going to go today until 6 o'clock. So -- I
15 know that was good news for everyone. I
16 think what we're going to start talking
17 about now is augments, and maybe we can
18 start with -- if you could talk about, in
19 general, how you process those requests.

20 MR. HUTCHINS: Sure. What
21 we're going to talk about is the process
22 that Southwestern Bell has in place to
23 handle an augment or a supplemental job in
24 addition basically to an initial build-out
25 cage for a collocator.

Page 239

1 The application process is no
2 different. What they are going to show on
3 the application would be different in that
4 they may not show that they need 100 square
5 feet or whatever, but the equipment they
6 would list out on it and they would submit
7 that to it. The processes that we covered
8 under the quote process aren't going to be
9 identical.

10 (Inaudible) be submitted to
11 Southwestern Bell we'll look at the same
12 criteria to process it. And as it's put
13 into our stream of business, then we'll
14 continue to work on that and develop the
15 quote according to the interval. It then
16 comes back. And I would say it's not a
17 different process that we have in place.

18 It's the exact same process to
19 handle (inaudible) subsequent requests. We
20 are going to -- I don't know what else you
21 wanted me to say at this point, but it's
22 just basically going to be the same
23 process.

24 It will have an interval
25 (inaudible) for quote based on the business

Page 240

1 for that particular customer.

2 MS. ERVIN: Is that from the
3 CLECs' experience? Is that -- the process
4 is very similar to the process that you go
5 through for your initial collocation?

6 MR. POSCHL: Yes. It's been
7 the same process and it's been about the
8 same types of intervals, except that for
9 the quote stage it hasn't been the five
10 business days. It's been longer. North
11 Point Communications interconnects with
12 other collocators in the central office --
13 in the same central office to request
14 transport out of that CO.

15 And we have -- we will order a
16 conduit from our cage to another
17 collocator's cage in the same CO at the
18 beginning of the -- with the application
19 when there is another collocator -- when
20 there is another collocator that has
21 capacity. What we're coming up with now
22 unfortunately is that some collocators in
23 that office don't have any capacity to
24 transport us out.

25 So we have no way to get out. We

Page 241

1 choose not to do fiber. That's not in our
2 business plan. We want to use the
3 interconnection as what is mandated by the
4 FCC to allow interconnection, and it's
5 the use — it's the ease of use of that
6 product post cage completion that is very
7 cumbersome and time consuming.

8 An example would be in Pacific
9 Bell. You can order a cage-to-cage
10 cross-connect within 15 days, and that is
11 accomplished to connect our cage to another
12 collocator's cage, and that's post cage
13 completion. The difficulty with — and
14 Pacific Bell provides that via using
15 existing DS3 cross-connects and jumpering
16 our cross-connect with another collocator's
17 cross-connect at either the DCS or the DSX,
18 the main frame, that handles DS3.

19 And Southwestern Bell we have to
20 use a — Southwestern Bell provides the PVC
21 pipe which allows for two collocators to
22 connect to each other. The difficult part
23 is we have finished the collocation
24 process, Southwestern Bell has done a great
25 job of conditioning the cage at the time.

Page 242

1 We did not have an opportunity to know that
2 there was a collocator ahead of time to
3 interconnect with.

4 So we were not able to request
5 the conduit or the augment ahead of time
6 until after cage completion. So now we're
7 waiting 30 days for a quote for that
8 conduit, and then we also have to wait for
9 a construction time of the conduit. I've
10 been reassured by Southwestern Bell that
11 the instruction time for the conduit is
12 about a week or so or two weeks, which is
13 great.

14 The difficulty is the process
15 that leads up to the actual construction
16 part, which is very time consuming from
17 North Point's side and it limits us to
18 deploy.

19 MS. ERVIN: Am I correct
20 that what he referred to at one point as a
21 five-day quote and another point as a
22 30-day quote is really should be a 15-day
23 quote period? Correct?

24 MR. HUTCHINS: I'm sorry.
25 One to five applications, yes.

Page 2

1 MS. LACY: Well, let me
2 address that just a moment. This is Debbie
3 Lacy. And the conduit between cages is
4 really an ICB. There's not a tariffed rate
5 for that. And the way ICB intervals are
6 quoted is based on — similar to MOCA, that
7 it's a 35 business day interval.

8 Now, I'm evaluating that process
9 to try to provide that quote as if it were
10 a tariffed rate element and do that within
11 the 15 business days, and I'm working
12 towards doing that so that we can be more
13 responsive on those.

14 JUDGE FARROBA: Wait just a
15 second. Let me ask a question. Then the
16 tariff does not address augments or
17 collocation with other collocators in the
18 same central office?

19 MR. HUTCHINS: Yes, it does.
20 It does — as Chris defined there in the
21 tariff, it is the cage-to-cage conduit that
22 is addressed in the tariff.

23 JUDGE FARROBA: But the
24 tariff says ICB pricing?

25 MR. SRINIVASA: Conduit per

Page 24

1 linear foot, there is a tariffed rate.

2 MS. LACY: That's for the
3 conduit from the cable vault up to the
4 collocation area for the fiber optic cable.
5 There is no rate element — tariffed rate
6 element to interconnect two cages.

7 MR. SRINIVASA: Well, if it
8 is four foot — if it's a four-inch
9 conduit, how would that be different
10 than — if it's a four inch conduit, it's a
11 four inch conduit.

12 MS. LACY: Well, it's based
13 on the scope of work, because you may have
14 two collocation areas in a building and one
15 is on the first floor and one is on the
16 second floor and they may be on opposite
17 ends of the building.

18 And in that instance, the
19 customer would be unable to pull their own
20 fiber, the cable through that conduit, and
21 we would have to do that, and that's
22 figured into the ICB cost.

23 MR. SRINIVASA: Well,
24 conduit for fiber optic cable is 7.18 or
25 \$2.15 (inaudible) in the tariff or not.

Page 245

1 What did you say? This conduit was -- I
2 don't think it stated it from any
3 location -- a different example in the
4 tariff.
5 MS. LACY: I need to read
6 that.
7 MR. HUTCHINS: ... Section 6
8 of the tariff that defines that rate
9 element.
10 MS. LACY: That's 6.22.
11 MR. SRINIVASA: 6.22?
12 MS. LACY: Uh-huh. Conduit
13 for fiber optic cable. And the definition
14 is, the additional four-inch conduit from
15 the cable vault to the collocation
16 dedicated space.
17 MR. POSCHL: And -- this is
18 Chris Poschl. Typically where is the cable
19 vault? In the basement? And typically
20 collocation can be on any number of vaults?
21 MS. LACY: Yes.
22 MR. POSCHL: It does account
23 then from going from floor to floor.
24 MR. SRINIVASA: If the floor
25 really needed, it does account for that.

Page 246

1 MR. POSCHL: The tariff rate
2 element.
3 MR. HUTCHINS: In the
4 tariff, Section 9.6, that addresses use of
5 dedicated space, particularly
6 interconnection to others. So I would draw
7 your attention to that paragraph.
8 MR. SRINIVASA: Which
9 paragraph?
10 MR. HUTCHINS: 9.6 in the
11 tariff.
12 MR. SRINIVASA: Well,
13 essentially it says if they have a conduit
14 they can pull their own cable. And if
15 Southwestern Bell pulls the cable, you will
16 not make any connection with the cage
17 location. They will have to make their own
18 connection.
19 MR. POSCHL: That's easy
20 enough for us to do.
21 FROM THE AUDIENCE: And
22 typically the conduit is (inaudible). It's
23 metallic and it doesn't have interduct.
24 And you may describe the type of cables
25 that go through there. It's not

Page 247

1 necessarily fiber.
2 MR. POSCHL: No. For us it
3 would be a DS3 coax cable that we would
4 like to pull between the (inaudible).
5 What I'm trying to find or try to suggest
6 or see what North Point can do is to work
7 how to resolve this faster.
8 We are so close into deploying in
9 a lot of the central offices, but we are
10 hindered in terms of not being able to
11 interconnect with another collocater in the
12 ease of use. We have some proposals from
13 Southwestern Bell. Unfortunately they are
14 very costly for North Point in relation to
15 the conduit -- I'm sorry -- in relation to
16 the -- yeah -- the conduit -- well, how
17 should I term it? Conduit?
18 FROM THE AUDIENCE: PVC.
19 MR. POSCHL: We really want
20 to use that process. We much prefer to
21 have a process similar to Pacific Bell
22 using existing DS3 and cross-connecting at
23 a DCS. But what is happening is that the
24 product itself is useful and it works, but
25 the timeliness of when we request the

Page 248

1 product extremely slows us down on
2 deployment.
3 MS. ERVIN: This is Janis
4 Ervin. Let me see if I understand
5 something. Let me go back for a second.
6 Ms. Lacy, you were saying that currently
7 you do not use a 15-day quote interval or
8 you haven't been. You're looking into
9 doing that.
10 MS. LACY: Yes.
11 MS. ERVIN: Okay. Currently
12 you have been treating it as an ICB order.
13 MS. LACY: Right.
14 MS. ERVIN: Now, I guess my
15 first question for you, then, is, if it
16 were on a 15-day quote interval, is that a
17 help or not?
18 MR. POSCHL: 15 business
19 days --
20 MS. ERVIN: Obviously it's
21 not as good as your situation with Pac
22 Bell, but --
23 MR. POSCHL: Anything would
24 help now. But I think what I would like to
25 propose is that if it's the 15 business

Page 249

Page 2

1 days for the quote, there still is some
2 logistics time for when the actual
3 construction starts, I believe; that even
4 after I provide the -- after the 15 days I
5 provide the 50 percent, there is still
6 about two or three business day's time
7 before the construction actually starts.

8 Then there is about a week of --
9 a full week of construction. So we are
10 looking at about a month-and-a-half
11 approximately to interconnect.

12 MS. ERVIN: Now, that
13 puzzles me, and it could be that I'm
14 missing something. But in this case, what
15 we're talking about is basically installing
16 some PVC so that they can run some cable
17 through it. Am I correct?

18 FROM THE AUDIENCE: It's not
19 PVC. It's metallic.

20 MS. ERVIN: Oh, okay. I'm
21 sorry. So we're installing a piece of pipe
22 or several pieces of pipe, and I guess
23 we're taping them together or something.
24 Anyway, but we are installing pipe and what
25 I'm trying to get at is why -- after you've

1 pointing that out -- I'm sorry, Janis. I'm
2 assuming it's an exception and not the
3 rule, and could you give us like kind of an
4 idea on what percentage of the situations
5 would be more complicated like that and
6 what percentage would be simpler?

7 MR. SAUNDERS: I would
8 agree. You know, that is an exception.
9 But in the larger metropolitan central
10 offices, it is not an exception to have at
11 least two collocation sites on different
12 floors to where this has to be routed.

13 Now, in some cases, the conduit run can be
14 very short, you know, just two cages apart.

15 MS. REEVES: This is Kelsi
16 Reeves, with Time Warner. I think that one
17 solution to this is doing a cross-connect
18 to the DCS.

19 MR. KERSH: This is Mike
20 Kersh, with ACI Corp. That's why we like
21 it so well.

22 MR. SRINIVASA: Well, there
23 is a price element for the -- say, for
24 example, when you cross-connect through a
25 DCS, there is a cost associated with the --

Page 250

Page 2

1 gone through the process of putting
2 together the quote for the party, why would
3 there be delay in that process?

4 It's not like you need floor
5 plans or anything. Am I missing something
6 here? Just to give them the quote you have
7 to figure out how you are going to run it.
8 Right?

9 MR. SAUNDERS: It can be
10 very congested. This is Allen Saunders,
11 Southwestern Bell. It can be very
12 congested running this conduit through a
13 central office given, you know, that --
14 especially a metropolitan central office to
15 where you have to route through a cable
16 racking over and above equipment.

17 In some cases, we have an
18 instance in Houston where we had a
19 collocation site in one building --
20 actually the central office was comprised
21 of two buildings. Each had a collocation
22 site, and the interconnection conduit
23 required that it go 200 feet between
24 buildings to connect the two cages.

25 MS. NELSON: But if you're

1 in the DCS for the DS3 and you have cable
2 that has got to extend to that and another
3 cable that is extending to another --
4 adjacent collocation.

5 They have to have another
6 (inaudible) in the DCS so that can be
7 nailed, those connections. So in 7.12
8 there are rates established for DS3
9 arrangement. If it is through DCS or if it
10 is through a DSX3 panel.

11 MS. REEVES: I believe that
12 those are only available if you're actually
13 connecting to a Southwestern Bell service.

14 MR. HUTCHINS: Those are the
15 interconnection rates.

16 MR. SRINIVASA: Again, this
17 includes the cost of the (inaudible) for
18 the DCS because DCS is -- whatever the cost
19 was that was brought up during the
20 arbitration. That's how it was set.

21 MR. POSCHL: We were quoted
22 a price for that on a monthly basis, and it
23 was about \$4000.

24 MR. SRINIVASA: Well, there
25 is a nonrecurring charge and there is a

Page 253

1 monthly rate that was established —
2 MR. HUTCHINS: Are not those
3 the rates in 7.12 on the interconnection
4 arrangements?
5 MR. SRINIVASA: It is an
6 interconnection arrangement. What it
7 includes is (inaudible) for the DCS on the
8 cable. If they are trying to do a
9 cross-connect, essentially that is what
10 they would be using also. It's going to be
11 a cost-based rate (inaudible) use the cable
12 (inaudible).
13 MR. AUINBAUH: Nara, I think
14 that the rate elements that you're
15 referring to are access to a DCS being
16 provided as part of the Southwestern Bell
17 service. The difficult in this
18 situation — I'm sorry, Will. Mike
19 Auinbauh — is that Southwestern Bell
20 doesn't want to have to be involved in the
21 middle of making these connections.
22 The FCC in its determination in
23 collocation suggested that we had to
24 provide a means for collocators to connect
25 the cages together if they can pass it

Page 254

1 through the cage, and I think this is the
2 example they used. If they could pass it
3 through the cage wall, that was fine;
4 otherwise, Southwestern Bell needed to
5 provide the structure such that they could
6 pull their own cable and make those
7 connections.
8 And what we've set up here in
9 this tariff is a means to provide the pipe
10 and let them do their business with each
11 other so that we don't have to be involved
12 in the middle of the process and there is
13 not a provisioning process and there is not
14 an ordering process on the cross-connects.
15 There is just a process of getting the pipe
16 there, and they can work together between
17 the parties to make the connection.
18 It may be true. I don't know
19 Pacific's procedures. I do know that
20 Pacific does have some different procedures
21 that occurred before SBC Corporation bought
22 Pacific, and those inconsistencies may
23 remain today. But we think the cleanest
24 way to handle this is just to provide a
25 physical path and let the parties work

Page 255

1 together.
2 And as you've said, and we
3 acknowledge that you said, that is one
4 workable way. I understand that you prefer
5 it be another way. There is some problems
6 that we see with that. That's certainly
7 not required in Texas at this point in
8 time, and there is a means to get this done
9 without having to go that far.
10 MR. POSCHL: This is Chris
11 Poschl. I'd also like to — and I
12 appreciate your answer, but I'd like to
13 also say that in the FCC order it doesn't
14 explain how that is done. It says that an
15 ILEC must provide interconnection between
16 two collocators within a central office.
17 And every other ILEC has opted
18 using current existing DS3 cross-connects
19 to enable that to happen, except for
20 Southwestern Bell, who's elected to provide
21 a PVC pipe to work that connection.
22 MR. SRINIVASA: So PVC in
23 Pacific Bell?
24 MR. POSCHL: I'm sorry.
25 Southwestern Bell.

Page 256

1 MR. SRINIVASA: It's EMT or
2 galvanized —
3 MR. POSCHL: I'm sorry. The
4 metallic —
5 JUDGE FARROBA: Okay. Can
6 we just make sure it's one person at a
7 time?
8 MR. SRINIVASA: Absolutely.
9 (Laughter)
10 MR. POSCHL: The spirit, I
11 thought, behind that order was to make it
12 just and reasonable terms,
13 nondiscriminatory, as if Southwestern Bell
14 were to provide that for themselves. North
15 Point really does feel pretty strongly that
16 I don't think that Southwestern Bell would
17 provide the same type of service — the
18 same type of way to connect equipment to
19 equipment using a pipe.
20 I also believe that there was
21 thought about ease of use. And from my
22 side, I know that this is not causing ease
23 of use for Southwestern Bell when it's post
24 cage completion, because there is a lot of
25 work on the ordering side. There is a lot

Page 257

Page 2

1 of work on the NSS trying to work through
2 these.

3 Pacific Bell has actually gained
4 a lot not having to do that because it's a
5 straight order flow going to the engineer
6 to connect the two cables. I still believe
7 that there's a lot less work that Pacific
8 Bell has to do to make the interconnection
9 happen than how Southwestern Bell has
10 elected to choose this.

11 What I would like to offer up is
12 somehow – and have asked folks to work
13 with North Point. I've offered to prepay a
14 substantial amount of that quote so that
15 the quote would go along, construction
16 would begin. But I've been told time and
17 time again that parity is an issue.

18 We need to go through the quote
19 process. We have all the steps in place to
20 begin construction, but we must still go
21 through the process. This has really
22 slowed us down tremendously in the key
23 offices we want to get into. We tried very
24 desperately not to get into that situation,
25 and unfortunately it's been in a very few

1 time.

2 MR. POSCHL: Well, yeah, the
3 construction time. But getting to the
4 point of when construction begins is really
5 the length of time, is a very –

6 MS. ERVIN: So it really is
7 the quote that is the problem. Okay.

8 MR. POSCHL: It's the quote
9 process, the acceptance, the time that the
10 ICS (inaudible) actually holds on to it,
11 the time that actually the NSS gets ahold
12 of it, actually undergo the – and I
13 understand it is an ICP that does a lot of
14 things to work with that.

15 And that's why I keep driving
16 towards the ability to offer another type
17 of interconnection utilizing existing
18 cross-connects. But, again, the only
19 option was given through a DCS port and
20 we'd have to purchase software to manage
21 our own port, and that would even take
22 longer than going through the conduit
23 process – I'm sorry – the pipe process.

24 MS. REEVES: This is Kelsi
25 Reeves, with Time Warner. They would

Page 258

Page 26

1 offices comparatively, but we've not been
2 able to outstep that problem.

3 MS. ERVIN: And this is
4 Janis Ervin again. So that brings me back
5 to my earlier question, which was in the
6 process of putting together a quote for
7 this ICB, haven't you really done the
8 majority of the work at that point?

9 Do you understand what I'm
10 saying, as far as planning goes? I'm not
11 sure why you would then need to move into
12 like, you know, this procedure. Okay? So
13 maybe I'm missing something. Okay? That
14 is what you are saying, basically –
15 right – that you're going through one
16 lengthy procedure to get the quote and then
17 you're going through another lengthy
18 procedure to get the piece of pipe
19 installed.

20 So that's sort of where I'm
21 getting lost. I'm getting lost as to why
22 that's turning into such a lengthy process.

23 MR. KROST: This is Dennis
24 Krost. I'm not sure what the lengthy – I
25 thought you said one week construction

1 absolutely have to know (inaudible) and I
2 think the point that Chris has made
3 (inaudible) – we – if conduit is our only
4 choice right now in the tariff, then give
5 us a time frame and an interval and put it
6 in the tariff (inaudible) and allow us to
7 get it in a timely manner.

8 You know, we would certainly like
9 to advocate (inaudible). Right now we just
10 need a work – you know, we need something
11 in the tariff that works that allows you
12 the time that you need to provision it and
13 allows you (inaudible) of the provision.
14 This is pretty standard service. You know,
15 we're (inaudible) –

16 JUDGE FARROBA: Ms. Reeves,
17 would you speak up a little bit.

18 MS. NELSON: Stand up.

19 MS. REEVES: You know, we've
20 all experienced similar instances and we've
21 all made these requests a number of times.
22 You know, once you get enough – and we
23 have ICB products that we offer customers,
24 too, and at that is her point. You've done
25 it enough to where it's no longer an ICB.

Page 261

1 It's a standard product. And I think we've
2 reached that place with a number of the --
3 we have additional augments that we can
4 explain to you that we're trying to get,
5 and these augments for the most part have
6 reached a place where they're no longer
7 ICBs (inaudible) product and appreciate you
8 adding.

9 MR. SUMMITT: Nick Summitt,
10 Time Warner Telecom. Southwestern Bell
11 runs conduit every day. You know, it
12 really shouldn't be an ICB to go run
13 conduit. It should be something like a
14 20-day order interval. I assume they have
15 engineers -- a group of engineers that are
16 responsible for that CO that know exactly
17 where everything is, how much power is
18 there, how much air conditioning is there.

19 It should be an order process
20 just like we were going to order up a DS1
21 or a cross-connect or something else, in my
22 humble opinion.

23 MR. POSCHL: This is Chris
24 Poschl. In support of the costing aspect,
25 I have cost quotes from a number of offices

Page 262

1 where we currently already do have pipe,
2 and the price is the same and the distances
3 are different. And so that's why I'm
4 having a little difficulty understanding
5 that in our quoted price received it's
6 \$1600, flat, and it has not changed between
7 an Office 1 or an Office 2 and although the
8 distances are different.

9 MR. SRINIVASA: That's one
10 example of an augment, the conduit
11 installation. Do you have any other
12 examples of what kind of augments you --

13 MR. SUMMITT: This is Nick
14 Summitt, again, with Time Warner Telecom.
15 First of all, I need to say that we worked
16 with Glen Hutchins. He's done a great job
17 in trying to support us. So I don't want
18 Glen to think I'm picking on him.

19 But the problem we're having is
20 when we're trying to do cable augments,
21 which -- when we go do a physical collo,
22 the reason you do it is because you want to
23 do DS1 and DS3 connections for the last
24 mile. The problem we've had is we're
25 forced to go through this onerous process

Page 253

1 just to do a physical augment and, again,
2 Southwestern Bell runs (inaudible).
3 So when we ask to run more DS1
4 cables or more DS3 cables to our physical
5 collocation space, we have to go back
6 through this same process. And I would
7 submit that that has already been
8 engineered because it was engineered in the
9 original package. So really we know what
10 the distance is to the POTS frame.

11 We really shouldn't need to go
12 back through a whole engineering thing.
13 All we need is 72 more terminations. We
14 just need two end plates and we need the
15 cable run, 72 pair cable run. So we don't
16 understand why we have to go back through
17 this whole rigmarole here again. We should
18 be able to order up and 20 days later it
19 should be able to be delivered.

20 And the last time we did this was
21 at a Sunset LSO, and our quote was 56
22 calendar days at Sunset to run a 72 pair
23 cable for DS1 terminations. That's way
24 beyond the scope, in my opinion, for
25 specifically running the cable.

Page 264

1 MS. ERVIN: Was there a
2 problem getting the actual quote, I mean,
3 as far as the time frame, or was it just
4 really a problem in your mind as to the
5 amount of time it was going to take them to
6 implement it?

7 MR. SUMMITT: Actually we
8 did not -- we asked for that quote through
9 our interconnection versus through this.
10 So I believe -- and I could be wrong about
11 this -- but we had a six-week interval just
12 to get the quote back in that particular
13 instance.

14 And since then we started using
15 the physical Mega-arbitration tariff to
16 order this thing. But the problem we have
17 with that is, yeah, we forecast. We're
18 going to sale DS3's or are we going to sell
19 DS1's, but forecast and guess are
20 synonymous terms. So we missed our guess.

21 We sold more T1s. We had to
22 order more cabling for T1s. Then we had to
23 turn around and wait 14 weeks. Well, that
24 causes really a big problem for
25 Southwestern Bell and Time Warner Telecom,

Page 265

Page 2

1 because we have to fill that stuff so far
2 out in order to meet these onerous
3 intervals.

4 It is hard on them and it's hard
5 on us. If we could work with a much
6 shorter time frame, we wouldn't have to
7 have a lot of blank cabling laying there in
8 the CO taking up their valuable space and
9 frustrating us in trying to take care of
10 customers, because, you know, we turn up
11 "X" number of orders. We can forecast
12 that, and all of the sudden here comes a
13 big customer like North Point or somebody
14 who orders a lot of stuff and it's hard to
15 forecast or guess what that is.

16 MS. REEVES: And we're not
17 asking Southwestern Bell to -- we
18 understand that we (inaudible) our own
19 forecast, but there should be a time
20 interval if we need to augment something,
21 you should be -- if we're going to be able
22 to grow a business, you have to be able to
23 augment it (inaudible).

24 MR. SRINIVASA: Well, I
25 don't know that, why such a long time for

1 MR. SRINIVASA: Well --
2 JUDGE FARROBA: Can I remind
3 everyone to speak up, please?
4 MR. SRINIVASA: For DS1,
5 ports and performance, DS1 loops and ports
6 and unbundled loops, what you have in
7 performance, up to 20, five days. If they
8 were ordering 60 together, three times as
9 much. It shouldn't be more than 15 days.
10 Why is it 15?

11 MR. FRITTS: Nara, can I
12 just clarify where you're getting the time
13 intervals? Are you looking at UNE loop,
14 DS1 UNES?

15 MR. SRINIVASA: Right.
16 Right.

17 MR. FRITTS: And equating
18 that to...

19 MR. SRINIVASA: Equating
20 that to this is just within this small area
21 for the collocation for are the same --
22 what they are asking for is additional
23 cable cross-connects for DS1. And here
24 that UNE loop, DS1 loop, includes
25 cross-connections. You know, for transport

Page 266

Page 26

1 cable. I mean, you have for the entire
2 DS1, say, for example up to 20 -- say, five
3 days. If there were 60 of them, five times
4 three is 15 days to install DS1s just for
5 cable. Why is it taking 56 calendar days?
6 What is the rationale behind that? Can you
7 explain that?

8 MS. LACY: If you're talking
9 about the quote taking 56 calendar days --

10 MR. SUMMITT: No. The
11 interval.

12 MS. LACY: It's the
13 implementation?

14 MR. SUMMITT: The
15 implementation interval was 56 days.
16 Again, we used a different tariff rather
17 than this one. Glen was nice enough to
18 point out to us that we should change to
19 this tariff.

20 But the quote was six weeks.
21 Then we take back 56 days to run the wire.
22 I suspect if I were a large retail customer
23 and I ordered up 56 T1s, I could probably
24 get those in a couple of weeks. I might be
25 wrong, but I suspect I probably could.

1 it's the same thing.
2 MR. FRITTS: Let me -- this
3 is Bill Fritts, Southwestern Bell. I guess
4 I'm a little confused with the comparison,
5 because a DS1 loop is in place facilities
6 in the outside plant cabled through the CO,
7 and the cabling that is there to the DSX or
8 the DCS to make the UNE loop available is
9 the cabling that they are referring to
10 ordering in their case.

11 So I think we're mixing two
12 different things. The UNE loop is the
13 outside plant portion and the component
14 that is in the CO. But the cabling that
15 he's referring to is the -- I think
16 typically it's referred as ABM or
17 something, T1 cabling between the DCS or
18 the DSX and the POT frame.

19 So, to me, it's just two totally
20 different things.

21 MR. SRINIVASA: Well, you
22 know, for dedicated transport DS0, DS1,
23 DS3, 11 to 20, five days.

24 MR. AUNBAUH: Again, that's
25 existing in-place facilities.

Page 269

1 MR. AUNBAUH: First of all,
2 unbundled elements are available where we
3 have existing facilities. You're comparing
4 providing something that we already have in
5 place within a certain interval --

6 MR. SRINIVASA:
7 Cross-connects -- you have to install
8 cross-connects there, too.

9 MR. AUNBAUH: But you're
10 talking about a physical cross-connect.
11 What we're talking about here is running a
12 new cable from a collocation cage to a DSX
13 panel or equivalent to a main frame type
14 situation in order to be able then to run
15 the physical cross-connect to hook that
16 cable to extend the element or
17 interconnection, whatever it is, over to
18 the cage.

19 We're talking building a new
20 piece of plant as opposed to providing a
21 piece of plant that is in place and simply
22 provisioning it for a customer. So I don't
23 think it's a fair comparison.

24 MR. SRINIVASA: 56 calendar
25 days for 130 cables, say, for example --

Page 270

1 MR. FRITTS: Again, I don't
2 know the exact -- you mentioned Sunset.
3 Which Sunset?

4 MR. SUMMITT: The LSO in
5 Houston.

6 MR. FRITTS: Houston. Okay.
7 It's going to be a function of the office.
8 I'm just not familiar with that office, if
9 that was a short run or a long run, but I'm
10 just not comfortable with the comparison to
11 the UNE loop. It's like Mike said, to me,
12 I think -- and you mentioned the
13 cross-connect -- for the UNE loop and we
14 put up the cross-connect on the face of the
15 DSX as opposed to mounting the jack field
16 and all of the cabling that is behind it,
17 and those are the two things that we're
18 comparing.

19 And those functions are just
20 totally different to get that in place.
21 Putting up the cross-connect for the UNE
22 loop is the shorter interval. Building the
23 plant to connect the POT frame to the DSX
24 or the DCS is more labor intensive and
25 involves a number of other work steps and

Page 271

1 some very specific detailed engineering.
2 FROM THE AUDIENCE: Would
3 you clarify that again? Is that -- I'm
4 just trying to understand your offer. I'm
5 not familiar with the type of situation.
6 Basically you're adding additional DSIs,
7 and in Texas 28 DSIs at a time.

8 MR. SUMMITT: That's
9 correct.

10 FROM THE AUDIENCE: POT bay,
11 Southwestern Bell's point of termination.

12 MR. SUMMITT: That's
13 correct.

14 FROM THE AUDIENCE: And how
15 many were there?

16 MR. SUMMITT: We asked for
17 an OC3's worth, which I believe --

18 FROM THE AUDIENCE: 84?

19 MR. SUMMITT: -- is 72 or
20 84.

21 FROM THE AUDIENCE: 84 DSIs?
22 Okay. Well, perhaps I can't answer what
23 happened there. Perhaps I need to get with
24 Glen. He has probably the specifics, and
25 we'll look into it and get back to you to

Page 272

1 see what happened there. I don't
2 understand either.

3 MR. SUMMITT: Well, I think
4 our point would just be simply that we
5 shouldn't have to go through an ICB process
6 to order up cabling. I suspect you guys
7 are very, very good and efficient at
8 running cable.

9 FROM THE AUDIENCE: It's a
10 tariff process that it took 56 calendar
11 days.

12 MR. SUMMITT: It was an ICB
13 process within the tariff. Is that
14 correct, Glen? You probably know.

15 MR. HUTCHINS: Yeah. Was
16 this the most latest one we talked about,
17 or is this one that had already completed?

18 MR. SUMMITT: I believe it
19 completed last week. It was ordered prior
20 to --

21 MR. HUTCHINS: In
22 discussions with Time Warner on a recent
23 basis it was brought to their attention
24 that they could offer -- they could be
25 ordering things out of the Texas tariff, if

Page 273

Page 2

1 you will, as opposed to the ICB process.
2 So prior to that, most of their
3 business with collocation was on an ICB
4 basis.

5 MS. REEVES: Well, I think
6 something that is important to note is that
7 it was under an ICB basis with the contract
8 that we signed with Southwestern Bell.
9 But, still, if you go and look at the
10 tariff, these things are still done on an
11 ICB basis. There is not a -- I mean, right
12 now you don't have anything in your tariff
13 that tells us how we can purchase what Nick
14 has just described.

15 If we want to do this augment, we
16 do it on an ICB basis and go back through
17 the same application process.

18 MR. HUTCHINS: No. The DS1
19 arrangement would be tariffed rate
20 elements, 7.12.

21 MS. REEVES: Okay.

22 MR. HUTCHINS: So it would
23 not be an ICB cost going forward.

24 MR. SUMMITT: So where is
25 the interval for that?

1 collocation request to do an expansion on
2 an existing arena, on an existing cage.
3 The scope of the work, then, is beyond that
4 point. After we get the quote out into
5 your hands is different.

6 It differs for Company 1 all the
7 way to "Z." What we're going to do is
8 we're going to give you a set interval that
9 we expect to have that work completed. It
10 will vary on how and we are going to better
11 that date based on the scope of work. If
12 it's 28 DS1s, it may not be as long a time,
13 of course, if we're having to do 84.

14 We're going to give you our best
15 date and provide that to you at the time we
16 deliver it to you. But to sit here and say
17 today that we can narrow that down and say
18 that's going to be a 45-day window, I can't
19 do that, because the scope of the work is
20 so wide and varied to be able to sit here
21 today and say that that is what we're going
22 to be able to do for you.

23 JUDGE FARROBA: I mean, the
24 way to address that is to disaggregate by
25 type of augment and --

Page 274

Page 2

1 MR. HUTCHINS: Okay. For
2 the DS1s on an augment basis? Okay. If
3 you will, I'd like to just address
4 something in general.

5 JUDGE FARROBA: But did you
6 answer that question?

7 MR. HUTCHINS: I'm going to
8 get to that point. As an account manager,
9 I deal with a lot of you in here. I can
10 tell you that there is a myriad of scope of
11 work that is requested to us on an augment.

12 For us to sit here today and say
13 an augment is going to take 22 days is not
14 going to be the answer, because it's just
15 not feasible to say within a 22-day period
16 it can encompass everything you've
17 presented to us today. That is not going
18 to be possible. We have to look at the
19 augments. And that's why I started out
20 saying, the submission of the application
21 and the process just to do the quote is no
22 different on an augment for us.

23 We have to do the same thing. It
24 has to be interjected into our stream of
25 business. It has to be viewed as a valid

1 MR. HUTCHINS: That's where
2 I was going. Is was going to say, then,
3 what you're asking me to do is to say, for
4 conduits, have one process for something
5 from zero to 10, have another process from
6 10 to 20, have another process --

7 JUDGE FARROBA: I'm not
8 talking about another process. I'm talking
9 about time frame --

10 MR. HUTCHINS: Interval.

11 JUDGE FARROBA: --
12 interval.

13 MR. HUTCHINS: Another
14 interval to define then on how we would
15 handle augment quotes and the subsequent
16 interval to establish that. Is that what
17 I'm hearing?

18 MS. REEVES: That's our
19 request, to begin with. I don't think we
20 were saying it would be 20 days for every
21 augment, but --

22 MR. HUTCHINS: But that's
23 why, I guess, it's not defined in the
24 tariff when we did this back in April, is
25 because that there was no way we could

Page 277

1 envision that we could get everything --
2 encompass everything on an augment in a set
3 time frame.

4 So we ended up with one augment
5 rate element and an initial, and that's
6 where we are today, and that's what we're
7 trying to do.

8 MR. POSCHL: This is Chris
9 Poschl, North Point. I would just like to
10 offer up, you know, best practices. GTE is
11 in Texas. GTE requests that collocators
12 provide cable to the central office. They
13 run the cable themselves. North Point has
14 been involved with a few of these amongst
15 the nation, Texas especially.

16 They can run the cable within two
17 weeks time. We have requested, you know,
18 300 DSOS, 6 DS3s, and 6 DS1s, a nominal
19 amount, not much. But they are
20 consistently being run within two weeks
21 time, and I don't know what the differences
22 are.

23 I'm not sure if I can see that.
24 So just in the spirit of best practices, if
25 they are able to do it, I'm not sure why

Page 278

1 the CLEC is having a tougher time.

2 MR. SRINIVASA: You have to
3 do augment sometime also in your own -- you
4 know, how long does it take for yourself?
5 Is what you're doing for them much longer?

6 MR. HUTCHINS: I don't know
7 the answer to that question. I really
8 don't.

9 MS. ERVIN: This is Janis
10 Ervin. I gather from a couple of previous
11 remarks that there are certain set augments
12 that are occurring and expected to occur in
13 the future, and you have some idea of the
14 sorts of things that happen most commonly
15 as augmentations -- okay? -- at present.

16 What I'm wondering is, if these
17 are occurring at pretty regular sequences,
18 if there's not some way that Southwestern
19 Bell can work with the parties to develop
20 some faster turnaround time for these
21 augments that, you know -- I wonder if
22 that's just because this is fairly early in
23 the process or -- I would like to get your
24 views on that.

25 MR. POSCHL: If I may, from

Page 279

1 a CLEC's point of view, we do know of
2 additional facilities that we will need
3 going forward and also power. So right
4 there I can say that, yes, there is a
5 defined quantity of amount of augments that
6 we will -- every single central office will
7 have to undergo.

8 MS. ERVIN: Well, I guess
9 since the mention of growth jobs earlier, I
10 remember that there are some engineering
11 meetings that are taking place between
12 Southwestern Bell and the CLECs, and it
13 seems like these augments are an
14 appropriate subject for some of those
15 meetings.

16 And that's what I wanted to get
17 Southwestern Bell's view, I guess, on.

18 JUDGE FARROBA: Well, Janis,
19 that's a separate issue.

20 MR. SRINIVASA: Cooperative
21 planning of trunking separate.

22 MR. AUINBAUH: Could we have
23 about a five-minute break?

24 MS. NELSON: Sure.

25 JUDGE FARROBA: Okay. Let's

Page 280

1 take a break.

2 (Brief recess)

3
4 MR. AUINBAUH: Mike
5 Auinbauh, for Southwestern Bell. I think
6 that we have a proposal to make here that
7 might help move this along a little bit, if
8 we may.

9 JUDGE FARROBA: Okay.
10 That's fine.

11 MR. AUINBAUH: And I'm going
12 to ask Carol Burdine to speak to that for a
13 minute.

14 MS. BURDINE: I'm Carol
15 Burdine, with Southwestern Bell, and I
16 guess I'm going to earn my airline ticket
17 now.

18 JUDGE FARROBA: Oh, I'm
19 sorry. Could you, I guess, maybe speak up?

20 MS. BURDINE: Okay. I'm
21 Carol Burdine, with Southwestern Bell, and
22 I'm in the wholesale marketing group. And
23 we had a quick little conference in the
24 back of the room trying to figure out how
25 can we make this better.

Page 281

Page 2

1 We agree it probably is onerous
2 for you to try to do it this way. I think
3 we have a better understanding of at least
4 two scenarios. Now, one is cage-to-cage
5 and the other is ordering interconnection
6 arrangements after you already have your
7 physical collocation cage in place.

8 And what we're willing to do is
9 to go ahead and work towards getting
10 something to you in the form of an
11 accessible letter in about a month. I
12 mean, that's what we're saying here today,
13 that we're going to shoot for in a month to
14 get something out to you that addresses
15 both of those processes. And on
16 cage-to-cage, we'd be looking at trying to
17 and attempting to give you an interval
18 quote in 15 days, in 15 business days, get
19 that back to you faster so that you don't
20 fall kind of into a black hole that we
21 didn't realize really that we were doing to
22 you.

23 And the second one, with the
24 interconnection arrangement, the tariffed
25 item in Section 7, that if -- we'll look at

1 flexibility for Bell is based on long-run
2 incremental cost.

3 So could it be that you guys
4 would use long run or TELRIC-type pricing
5 for your ICB instead of actual costs?

6 MR. AUNBAUH: Let me answer
7 that, Nancy. I think you may have some
8 confusion about long-run incremental costs.
9 These are -- the things that we're talking
10 about here are nonrecurring charges. And
11 the long-run incremental cost on a
12 nonrecurring charge is just the cost that
13 occurs.

14 The long run on a nonrecurring
15 charge isn't very long. It's however long
16 it takes to get that work done, and that is
17 consistent with the TELRIC principles that
18 the Commission has adopted in setting
19 prices here in Texas. So the quotes that
20 we do make are consistent with the
21 Commission's TELRIC principles, in that we
22 just recover the costs that we actually
23 incur on a nonrecurring basis.

24 So I think the answer to your
25 question is a "yes." They will be long-run

Page 282

Page 2.

1 it in two ways. One, if all the facilities
2 are available at both ends and we have got
3 what we need in place to hook you up out
4 there on our side of the equipment line-up,
5 that there would be one process that would
6 have a certain specification for how long
7 that would take, and then another process,
8 an interval process, that might be a little
9 longer than that if we have to go out and
10 buy all the equipment on our end, too, and
11 that we would be willing to go ahead and
12 look at this.

13 It would show improvement both in
14 quotation and an interval to provide.

15 MS. KRABILL: This is Nancy
16 Krabill, with NEXTLINK. I guess the
17 question that I have, I think there are
18 issues with ICB not only with the intervals
19 but also with the pricing. I'm wondering
20 if -- the way I've come to understand ICB
21 pricing is that it's based on actual costs,
22 not (inaudible) incremental cost.
23 (Inaudible) in the Legislature that's
24 floating around in Austin, and the
25 Legislature when it talks about pricing

1 incremental costs. The long-run
2 incremental costs on a nonrecurring charge
3 is the cost that you actually incur.

4 MS. KRABILL: I would just
5 ask that the prices that you use the same
6 standard that were approved in the cost
7 proceedings. That's --

8 MR. AUNBAUH: And we're
9 willing to do that.

10 MR. SUMMITT: This is Nick
11 Summitt, with Time Warner Telecom. If I
12 could suggest. If it takes 15 days to do a
13 quote for a whole physical collocation to
14 just do conduit or to just do cabling,
15 could it not be five days since that's much
16 less than one-third of the work required,
17 instead of 15 days and a 15-day interval as
18 a result, that seems long, if I can get a
19 whole physical collocation in 15 days.

20 MS. LACY: Can you allow us
21 the opportunity to review in this month
22 time frame.

23 MR. SUMMITT: Sure.

24 MS. BURDINE: I mean, one of
25 the things that we were looking at -- this

Page 285

1 is Carol Burdine, again. I'm with
2 Southwestern Bell -- that I didn't mention
3 was on this interconnection arrangement
4 process, and I forgot to mention this one.

5 We were trying to look at it so
6 that you could send the check in with your
7 application to do. We assume when you are
8 asking for that kind of stuff you don't
9 really care about a quote. You know what
10 this costs in the tariff.

11 MR. SUMMITT: That's
12 correct.

13 MR. HUTCHINS: On the
14 interconnection on 7.12, since that's an
15 element that exists today and that it's
16 available to you to review and know the
17 pricing cost of that, that's one of the
18 items that Carol was mentioning, is would
19 it be possible then for just you to
20 determine what that cost would be, submit
21 the check and your request at the same
22 time, and the quote really doesn't exist.

23 MR. SUMMITT: That would
24 awesome. We would be willing to do that.

25 MR. HUTCHINS: So those are

Page 287

1 about connection between two cages using
2 conduit or however we were going to do it.
3 You were going to come back on that and
4 then the interconnection. Are there any
5 other items for augments?

6 JUDGE FARROBA: That seem to
7 be common types of augments.

8 MR. SOLIS: I have a
9 question. Fred Solis. If you could
10 rethink about the interval on augments, how
11 about the price of the augments? If you
12 can do a full collocation for a certain
13 price, why do I have to pay the same price
14 for 24 DS1s?

15 I think that is a valid question.
16 In other words, I'm paying you a fee for a
17 collocation which is a full-blown
18 collocation. Why should I have to pay the
19 same fee for an augmentation?

20 MS. ERVIN: I don't think I
21 understand the question. Do you understand
22 the question?

23 MR. SOLIS: The question is,
24 I'm paying a certain fee and you may be
25 different from me where everybody else

Page 286

1 a couple of the options that we are going
2 to be looking at.

3 MR. POSCHL: This is Chris
4 Poschl. Then it would be a -- I'm just
5 trying to understand. Would it be then a
6 flow-through then from Day Zero to the end
7 of the construction for the conduit? I'm
8 sorry. Was it still 15 days or are you
9 going to relook at the 15 --

10 MS. BURDINE: Chris, when I
11 was talking -- I'm sorry. I might have
12 confused you. When I was talking about
13 having to -- this is Carol Burdine --
14 having the check sent in -- okay -- that
15 was strictly for the interconnection
16 arrangement which is a tariffed rate
17 element. That was the only -- you wouldn't
18 have any way of knowing the other one
19 where, you know, your cage could be two
20 floors away from somebody elses. That's
21 about all you would know. So you wouldn't
22 know what the price would be.

23 MR. POSCHL: Okay. Great.

24 JUDGE FARROBA: Go ahead.

25 MR. SRINIVASA: We talked

Page 288

1 (inaudible) so many thousand dollars for a
2 full-blown collocation.

3 MS. CARROLL: Are you
4 talking about the engineering design --

5 MR. SOLIS: Oh, the
6 engineering design charge. If I'm only
7 ordering 24 DS1s, why do I have to pay the
8 same price? A very big difference. It's a
9 one-line item.

10 MS. LACY: That's the
11 tariffed charge.

12 MR. POSCHL: It's \$3100 be
13 it for physical or for an augment. I
14 believe it's the same charge.

15 MR. SOLIS: New price.
16 I mean, if you are going to rethink about
17 the interval, can you rethink about the
18 price?

19 MS. LACY: That would
20 require a change to the tariff.

21 JUDGE FARROBA: I guess I
22 would be interested in hearing, though --
23 and maybe you-all could address this -- why
24 should it be the same price. I mean, the
25 engineering design, if it seems --

Page 289

1 MR. AUNBAUH: Could I
2 respond?
3 JUDGE FARROBA: Yeah.
4 MR. AUNBAUH: The rates in
5 the tariff were established by the
6 Commission, and Southwestern Bell is
7 willing to live by those rates while they
8 are in effect. If we are going to reopen
9 the pricing and the tariff, there are
10 numerous rates in that tariff that
11 Southwestern Bell would like to revisit
12 also, and I'm not sure that that is really
13 going to be productive here. The tariff
14 stands and I think Donna was right, that to
15 the extent there is an issue with the
16 pricing, if the Commission decides they
17 were going to rearbitrate that, then we
18 would rearbitrate the whole thing.
19 So I can appreciate the concern,
20 but the rates were set in the tariff by the
21 Commission and we'll live by those rates.
22 MS. NELSON: I don't think
23 that was the question. I think the
24 question was, let's just assume there is no
25 tariff. Should the rates be the same —

Page 290

1 are your costs different for augmentation
2 than they are for — I mean, I don't think
3 the Commissioners had in front of them
4 augmentation scenarios when they set those
5 rates.
6 And let me just ask this: Is
7 there justification for having a different
8 rate?
9 MR. AUNBAUH: Our rates
10 differ — I'm sorry. Our costs differ in
11 almost every scenario on almost every rate
12 element. The Commission decided to say
13 averaged rates. And so I can't say that
14 there is necessarily a correlation from the
15 charges that occur in every situation.
16 All I can tell you is the rates
17 that we charge are the ones that we were
18 required to charge by the Commission. It
19 would have been different had we set them
20 ourselves. There is no question about
21 that. And we're willing to live with the
22 rates, subject to all the terms and
23 conditions of that tariff. And I think
24 that's a done deal here at the Commission
25 as to those rates complying with 251 and

Page 2

1 252 unless somebody chooses to arbitrate it
2 again, and then we'll arbitrate all of it,
3 and those kinds of issues could be
4 addressed there, if that's what we want to
5 do.
6 So my only concern here is
7 Southwestern Bell is not willing to charge
8 rates other than what are in that tariff,
9 revisit those rates unless we're able to
10 revisit the entire tariff.
11 MR. SRINIVASA: Right. I'm
12 trying to find out. The \$3100 that you're
13 referring to, where is it at in the tariff?
14 MS. BURDINE: There is a
15 rate element and it's called "The
16 Engineering Design Charge." It's in the
17 7.1.
18 MR. SRINIVASA: 7.1?
19 MS. BURDINE: 7.1. And it
20 addressed an initial subsequent —
21 MR. SRINIVASA: Subsequent
22 and non-standard.
23 MS. BURDINE: Yeah. And the
24 initial and the subsequent were set at the
25 same price.

Page 29

1 JUDGE FARROBA: I'm sorry.
2 Initial, subsequent, and what is the third?
3 MR. SRINIVASA: It's
4 non-standard.
5 MS. ERVIN: Out of
6 curiosity, when does the non-standard
7 apply?
8 MS. BURDINE: I have it in
9 the tariff. If you want me to read it to
10 you, I can do that.
11 MR. SRINIVASA: What section
12 in the tariff?
13 MS. BURDINE: That's at 6.1.
14 MS. ERVIN: Do you have the
15 actual page in front of you that had the
16 non-standard —
17 MS. BURDINE: It's on Sheet
18 36, is the description.
19 MS. ERVIN: Okay. I'm
20 sorry.
21 MR. SUMMITT: Page 74 or —
22 MS. ERVIN: No. I'm in
23 Section 5, Sheet 36.
24 MS. BURDINE: Right.
25 Correct.

Page 293

1 MS. ERVIN: Okay. First
2 paragraph, engineering design charge. Is
3 that where it's at?
4 MR. FRITTS: 6 dot --
5 MS. ERVIN: Okay. Thank
6 you.
7 MR. SRINIVASA: That's for
8 the DC power amps, not for -- what happens
9 if it's a request for conduit, does 36.05
10 apply?
11 MS. BURDINE: That's 36.05.
12 MS. ERVIN: Okay. Thank
13 you.
14 MR. SUMMITT: I have a
15 question. This is Nick Summitt, again,
16 with Time Warner Telecom. I understand
17 Mike's position on arbitrating the rates.
18 But there is one I would like to point out
19 and would ask the Commission or whomever to
20 take up that I think is particularly out of
21 line.
22 We just installed an OC48 at the
23 Jackson LSO in Houston which is the tandem.
24 If we were to cable the whole thing out for
25 the interconnection arrangement at \$2109

Page 294

1 for DS3, that is over \$100,000 to do what
2 we could go contract out and do for 12 to
3 \$15,000. So that one is, as far as I'm
4 concerned, particularly way out of line.
5 You know, maybe it ought to be
6 adjusted to putting cable out 48. We're
7 going to cable out 24, put cable out 12,
8 that would make a lot more sense, because
9 \$100,000, I would like to go get that
10 contract and make a nice little --
11 MS. ERVIN: I don't think
12 there is any question -- pardon. This is
13 Janis Ervin -- that there is
14 dissatisfaction with the rates apparently
15 on both sides. However, getting back to
16 the earlier question regarding augments --
17 okay? -- we've talked about two specific
18 types of augments that are very common, and
19 I think Nara's question a little earlier
20 was, are there other augments that we
21 should discuss here?
22 I'm encouraged by the fact that
23 Southwestern Bell is actually re-examining
24 those two, and hopefully we would get some
25 sort of procedure out of this that would be

Page 295

1 of some assistance to you. Okay? Are
2 there others that we might discuss here?
3 MS. REEVES: Yes. We have
4 some.
5 MR. SUMMITT: We were going
6 to go add an additional piece of
7 electronics into an existing cage. Would
8 we go, Glen, to the ICB process to do that?
9 I know the answer to my question. We would
10 go to the ICB process, the full ICB, just
11 to add another OC12 or --
12 MR. HUTCHINS: Okay. You
13 are just talking about an in-cage upgrade
14 for capacity that doesn't involve cabling
15 or assistance from Southwestern Bell.
16 MR. SUMMITT: That's
17 correct. But it would use more -- it would
18 be -- it would use -- it would use power.
19 It would use (inaudible).
20 MR. HUTCHINS: What they are
21 talking about is just a revised equipment
22 list, what would be placed inside the cage
23 going forward and an upgrade for you. And
24 what we would say is that you would have to
25 submit to us that on an application so we

Page 296

1 could see it and we could review it and
2 look at those things such as heat release
3 and floor loading and those things that
4 would -- that may become an issue, and then
5 allow us that time to evaluate it and
6 respond back to you.
7 And basically you would get
8 Southwestern Bell's concurrence if there is
9 no problem, go ahead and go forward with
10 it.
11 MR. SUMMITT: So the answer
12 is, it's the ICB process. Is that correct?
13 MR. FRITTS: No. That's not
14 an ICB.
15 MR. HUTCHINS: There are
16 terms under both processes to allow that.
17 Okay? There's a method in each whether it
18 be tariff or ICB.
19 MR. SUMMITT: So the
20 engineering interval would be 15 days?
21 MR. HUTCHINS: Are you
22 talking about --
23 MR. SUMMITT: Quote -- I'm
24 sorry. The quote interval would be 15
25 days?

Page 297

1 MR. SRINIVASA: If it needs
2 additional work. Say, for example, if
3 there is no -- if they have a 20 ampere
4 drop in the DC power, if that is sufficient
5 to handle that added equipment, there is no
6 additional charge. Supposing that adds
7 heat in such a way that you need to, say,
8 increase the duct sizing, there is more
9 volume there. That means that you need to
10 do an engineering. How soon are you going
11 to get back to them and, you know --
12 MR. KERSH: This is Mike
13 Kersh, with ACI Corp. I would have that
14 same question, only that if we're putting
15 some equipment in that we don't need more
16 power or whatever, it seems to me that we
17 may use physically the application forms
18 just to notify you and then you would get
19 back to us, but there would not be a
20 charge. Right?
21 MR. HUTCHINS: That's
22 correct, for us to evaluate that.
23 MR. KERSH: Yeah. And you
24 would get it back in whatever -- I'm not
25 sure what the time --

Page 298

1 MR. HUTCHINS: Yeah. And if
2 you will allow me, I'll check to see
3 what --
4 JUDGE FARROBA: Yeah. I
5 would like to find out, because I think you
6 said it's addressed in the tariff. What is
7 the tariff (inaudible) on that, then?
8 (Off the record)
9
10 JUDGE FARROBA: Let's go
11 back on the record.
12 MS. REEVES: Kelsi Reeves,
13 with Time Warner. We actually found the
14 answer to our question. (Inaudible)
15 JUDGE FARROBA: I'm sorry,
16 Ms. Reeves. Could you speak up?
17 MS. REEVES: That all we
18 need to do is provide them a list of
19 additional equipment that added in there.
20 So we shouldn't even have to go through
21 another (inaudible) process.
22 MR. HUTCHINS: That's
23 correct. And we were just concurring that
24 that was the general understanding of what
25 we had to do.

Page 29

1 MR. SRINIVASA: 9.2.1.
2 MR. HUTCHINS: Right. You
3 would submit to us an application that is
4 going to detail what you're going to do,
5 and with that we're going to take that and
6 evaluate it, based on, is it going to
7 change anything that we would have to do.
8 If we come back and say there is
9 no problem. I mean, it's similar
10 equipment. You know, you're not putting in
11 an RSM that is going to generate a lot of
12 additional whatever, then we would respond
13 back to you in a 15 business day interval
14 and tell you that you're good to go.
15 MS. REEVES: Actually --
16 okay.
17 JUDGE FARROBA: Actually,
18 why is there -- I don't know. If this is
19 the only place this is addressed in the
20 tariff, if it is, it looks to me like --
21 what it says is all they have to do is give
22 you a list, period.
23 MR. FRITTS: It's also
24 addressed in 6.1, and that's where the
25 evaluation is made. Excuse me. Bill

Page 30

1 Fritts. That's where the evaluation is
2 made, if engineering work has to be done to
3 accommodate power gain heat loads, et
4 cetera. So we make that assessment. And
5 if there is no re-engineering work
6 required, they go ahead and place the
7 equipment.
8 And if there isn't engineering
9 work required, then we would want to
10 complete an application and the EDC would
11 apply.
12 MS. REEVES: And your report
13 is 6.1?
14 MR. FRITTS: I think it's
15 Sheet 36.
16 JUDGE FARROBA: So it's, I
17 guess, a minor revision and it doesn't
18 require -- well, it's defined as a minor
19 revision.
20 MR. FRITTS: Excuse me. I
21 think the revision applies during the
22 construction phase. I believe this
23 addresses some of our earlier discussion.
24 I'm looking at the middle of the paragraph
25 that begins -- the sentence begins with

Page 301

1 "Request for additions to the initial
2 request."
3 MR. POSCHL: This is Chris
4 Poschl. I would like to add to that note.
5 If we know the power drop and the amperage
6 that is given to us in the cage, we should
7 be able to determine ourselves if that's
8 going to require a power augment. And the
9 only two things that are left are floor
10 loading and then heat dissipation.
11 Is that my -- assuming correctly,
12 or...
13 MR. FRITTS: I don't know if
14 there may be other things to be considered
15 or not without working through one of those
16 cases. I think your premise is correct,
17 but there is an another part of the
18 agreement that says that you will keep us
19 current with the equipment that is
20 installed in the cage, and the procedure to
21 do that is to give us a revised equipment
22 list, and then that's what kicks that whole
23 process off.
24 MR. SRINIVASA: Does that
25 satisfy your -- okay. Are there any more

Page 302

1 augment issues? I have --
2 JUDGE FARROBA: Well, wait.
3 So there aren't any other common examples
4 of types of augments that need to be
5 addressed?
6 MS. REEVES: (Inaudible) We
7 know what we requested but you are the one
8 who receives all the requests.
9 JUDGE FARROBA: I mean,
10 because I guess in the proposal that you're
11 talking about preparing, if we could get
12 all the common types of augments addressed,
13 and I know we've discussed three, and I was
14 just wondering if there were any other
15 additional types that seem to be fairly
16 common.
17 MR. POSCHL: This is Chris
18 Poschl, North Point. If I can read off at
19 least the ones that I can envision and
20 maybe Southwestern Bell hasn't experienced
21 these, all of them yet, but these are
22 things that do come up within the areas
23 that we are currently in: The floor space.
24 Just in case, if we exhaust the floor
25 space, we want to grow. That would be an

Page 303

1 augment, I guess, for another application.
2 So it's floor space, and you have
3 the power, the facilities, which is the
4 cabling. Then maybe -- and then the
5 facilities on the power side, and then our
6 heat dissipation of the equipment to maybe
7 change the HVAC. Did I miss anything that
8 you guys can think of?
9 MR. HUTCHINS: That's pretty
10 much it, that I can think of, at the top of
11 my head, too.
12 MR. SRINIVASA: If they --
13 on the security side, if they want to ask
14 for additional cards, there is no -- there
15 is no process for that at this point in
16 time, or if they change their personnel?
17 MR. POSCHL: I can speak to
18 that. It's a quick form that a CLEC fills
19 out, completes and provides to Southwestern
20 Bell.
21 MR. HUTCHINS: It's not the
22 same process.
23 MR. SRINIVASA: Not the
24 same. Okay. Now, on the provisioning
25 process that you gave us, how that works,

Page 304

1 the highlights and milestones for active
2 space, it's up to 90 days. Now, for
3 inactive space, that's 180 days. How does
4 it work?
5 MR. FRITTS: There should be
6 another handout. This is Bill Fritts.
7 They are passing another handout out now,
8 and it will have a heading "Physical
9 Collocation, Other CO Space, 180-Day
10 Implementation Steps."
11 While that is coming around the
12 room, I think I can go ahead and preset the
13 conditions. This sheet is in the same
14 format as the previous sheet, again, with
15 the horizontal definition of the
16 departments involved and then vertically we
17 have the time.
18 MS. ERVIN: This is Janis
19 Ervin. I just -- I don't want to interrupt
20 this process, but I do want to ask the
21 question since we seem to be losing a lot
22 of our CLEC representatives here, and that
23 is that as it is currently, we never really
24 got to the virtual collocation part of
25 today's presentation, and I was wondering

Page 305	Page 306
<p>1 from the CLECs remaining, do you foresee 2 that that is a big complicated issue for 3 you, the virtual collocation portions? 4 Are we dealing with the issues 5 that are most difficult for you in this 6 part that we're discussing now with 7 physical collocation, or -- help me out 8 here, folks. 9 MR. KERSH: This is Mike 10 Kersh, ACI Corp. The physical collocation 11 is of the highest interest to us. 12 MS. REEVES: This is Kelsi 13 Reeves, from Time Warner. But we have a 14 lot of virtual collocation. I know that 15 NEXTLINK does as well, and there is some 16 issues that we would like to discuss about 17 virtual collocation. 18 MR. WANN: If I could say 19 something. This is Garry Wann, with 20 Southwestern Bell Telephone. The reason we 21 went with physical first was because almost 22 90 percent or more of the questions 23 submitted by the CLECs went to physical 24 collocation. 25 We would be happy to stay</p>	<p>1 and equipment, and I think he still 2 continues to have some concerns and some 3 questions and he was not able to stay for 4 the remainder of the day. 5 MS. REEVES: And not to be 6 (inaudible), it is 5 o'clock on a Friday. 7 So it wasn't -- it's not unreasonable that 8 some CLECs are having to leave to catch 9 flights to go back. So hopefully we'll 10 have a chance to talk about virtual 11 collocation -- 12 MR. WANN: Why don't we -- 13 that's why we brought all these people back 14 today is to discuss the subject. They have 15 flights out, too. So I would expect the 16 CLEC participants to stay and discuss this 17 simply because we're doing the very same 18 thing, to bring all these people down from 19 different parts of Texas. 20 JUDGE FARROBA: All right. 21 Maybe we should move to virtual and see how 22 much discussion we can have on that at this 23 point. 24 MR. IVANUSKA: May I make 25 just a few comments, first, if I may. I</p>
<p>1 tonight, answer the questions on virtual. 2 Virtual is something that has been hashed 3 out quite a bit in the new tariff. So 4 maybe we don't need to go through a 5 complete presentation. We can just take 6 the questions and CLEC participants. 7 MS. ERVIN: Thank you. 8 MS. HARTLINE: This is Rina 9 Hartline -- I apologize -- for the CLEC 10 Coalition. And although I realize that a 11 lot of the details were hashed out during 12 the virtual collocation tariff, most of the 13 CLECs that I represent, anyway, weren't 14 involved in those discussions. 15 That was a settlement, as I 16 understand it. And so a lot of the CLECs 17 here weren't able to participate in that 18 tariff process. 19 MR. WANN: That's why we're 20 here today, certainly, to stay and let you 21 ask your questions. 22 MS. ROWLING: Gwen Rowling, 23 Westel. And Charlie Land (inaudible) 24 Westel has an issue you had raised 25 previously as far as a transfer of title</p>	<p>1 really would like to make three points, and 2 we can move on to virtual after that, I 3 guess. Southwestern Bell has provided an 4 overview of the collo and the augment -- 5 the physical collo and the augment process, 6 and most of them are rooted in the tariff. 7 I think we've all realized or 8 seen here that there are significant issues 9 underlying the processes. You know, you've 10 laid out the processes very well. One day 11 really can't do this justice, because it's 12 so technical. We got into some very 13 technical discussions and had to cut it 14 off. 15 And there is a lot of latitude 16 that exists underlying those processes, and 17 that's good when it's necessary to respond 18 to some of the unique circumstances, but 19 it's not good when, you know, as you're 20 hearing some of the frustrations of, you 21 know, why is this happening and, you know, 22 sometimes there is really no incentive to 23 execute a best practices solution. 24 There has been good offers to 25 improve beyond the tariff, like the staging</p>

Page 309

1 of the collo apps, and really to try and do
2 a better job. But I think a lot has been
3 learned since these processes or the
4 tariffs underlying the processes have been
5 developed. Evidence was taken on that
6 in -- what? -- '97, I think.

7 I guess I would say that it's
8 really, to me, anyways, it's very evident
9 that since we've operated under these
10 processes for a couple of years we're
11 learning more. People who maybe didn't
12 participate in the development of the
13 tariff and the processes have come to the
14 market and are experiencing doing business
15 under these processes.

16 There are a lot of frustrations.
17 And I think really a comprehensive
18 re-examination, not just one day of talking
19 about issues that, you know, we happen to
20 talk about, but a comprehensive
21 re-examination of those processes, a
22 comprehensive re-examination of the tariff
23 because a lot of things are rooted in the
24 tariff.

25 There's a lot of frustrations. I

Page 310

1 think you could make a strong case that
2 that may be in order at this time. Because
3 with experience has come knowledge as to
4 how these processes are operationalizing
5 and how they've been implemented. I just
6 wanted to get that on the record. You
7 know, we've heard a lot today. And there
8 are a lot of complexities.

9 It's a very complicated process.

10 We'll all agree to that. So that's some
11 comment that I had to make.

12 MS. REEVES: This is Kelsi
13 Reeves, with Time Warner. We'd like to
14 request as your customer that we have an
15 opportunity to discuss these with you in
16 detail.

17 MR. AUTNBAUH: And, Kelsi, I
18 think you and I have discussed these
19 things, and I know you've talked to our
20 folks. So I think you know that that
21 opportunity is there. I'm sorry. Since we
22 feel compelled here to put things on the
23 record, let me get the record straight.

24 Southwestern Bell has
25 participated in numerous collaborative

Page 311

1 sessions that have led up to the final
2 Staff report, and many of those sessions
3 were on collocation issues. This session
4 was asked for by Staff and the
5 Commissioners to sit down and go through
6 these issues and work through these issues,
7 and we've come here today with our
8 operations folks.

9 We've presented the processes in
10 more detail as we were requested to do by
11 Staff, and we've answered the questions.
12 And I would ask to remind everyone here
13 what we're focused on is, is Southwestern
14 Bell complying with what we said we would
15 comply with and what the Commission has
16 ordered us to do in order to gain long
17 distance relief.

18 And it's not a re-arbitration of
19 the issues. That's for a different forum.
20 And I want to be clear that Southwestern
21 Bell has come here today and done what we
22 were asked to do, and we're committed to
23 the process of wrapping this up today.
24 Thank you.

25 MS. ERVIN: In conjunction

Page 312

1 with what you were saying before, Judge, do
2 you want to proceed into virtual
3 collocation?

4 JUDGE FARROBA: I want to
5 proceed with virtual, but what the
6 Commission requested -- now I'll make my
7 statement for the record. My understanding
8 is that -- and we did have some
9 collaborative sessions on collocation, but
10 what we never got into were all the
11 specific details, and that's why we're
12 having the session today.

13 And as with a lot of this entire
14 271 process, things take longer than we
15 anticipate they will take because there is
16 so much detail that needs to be addressed.
17 And while I think we should continue with
18 virtual collocation right now, I'm not
19 willing to say that if we continue for one
20 hour that that is sufficient time to
21 address that issue.

22 But that being said, I would like
23 to at least get started on that issue. And
24 do we have a handout on that?

25 MR. AUTNBAUH: What I would

Page 313

Page 3

1 propose in the interest of time is we will
2 hand out the handout. I think it is true
3 even though Rina understands that you
4 weren't necessarily parties to the
5 negotiations, there has been quite a bit of
6 discussion. And so if you would look at
7 the handout, and maybe we can work
8 questions from the handout rather than
9 spend the time on going through it.
10 JUDGE FARROBA: Right. That
11 sounds like the most efficient way to
12 proceed.
13 MR. AUNBAUH: We'll hand
14 out two handouts. One is the quote process
15 and the other is the provision process.
16 JUDGE FARROBA: Are there
17 other copies?
18 (Off the record)
19
20 JUDGE FARROBA: Let's go
21 ahead and go back on the record.
22 MS. NELSON: Okay. You've
23 handed us a document that's entitled
24 "Virtual Collocation Application Flow,
25 Application Process." And you've got

1 is the information you got in November?
2 MR. AUNBAUH: Donna, this
3 is the same. This particular --
4 MS. NELSON: Is the one that
5 was attached to yours?
6 MR. AUNBAUH: Right. And
7 in the case of virtual, there really isn't
8 a lot more detail to put in there as there
9 was in the case of physical. It's not
10 quite as complicated.
11 MS. ERVIN: But the quote
12 period is twice as long?
13 MS. LACY: No. Because
14 physical is done in 15 business days;
15 whereas, the virtual is in 30 calendar
16 days.
17 MS. ERVIN: Thank you.
18 MS. NELSON: But it's
19 longer. It's still longer. That's 21
20 business -- 21 calendar days is five
21 business -- 15 business days.
22 MR. AUNBAUH: Since there
23 was (inaudible) I mean, it's in terms of
24 the tariff, Donna.
25 MS. NELSON: Right.

Page 314

Page 31

1 interconnector completes agreement, Dallas
2 ICSC receives application and engineering,
3 and then you look to see if it's complete
4 and everything.
5 And you have the time frame set
6 out, on the side, Day 1, and then five work
7 days and 15 work days. So it looks -- it
8 looks very similar in some respects to what
9 you've outlined already with the physical
10 collocation tariff?
11 MS. LACY: Right. However,
12 there's a difference in the quote interval
13 for virtual collocation. Where physical is
14 quoted in business days, the virtual is
15 quoted in calendar days, and it's done
16 within 30 calendar days.
17 MS. ERVIN: Virtual
18 collocation -- I'm sorry -- was done in
19 calendar day intervals?
20 MS. LACY: Right. It's a 30
21 calendar day interval to survive the quote,
22 from the time the application is submitted
23 to the ICSC, distributed to the appropriate
24 work groups.
25 MS. NELSON: Okay. So this

1 JUDGE FARROBA: Should we
2 just proceed maybe with -- if anyone wants
3 to begin just asking the questions that you
4 have, we'll just start that way instead of
5 going through the presentation on the
6 handouts.
7 MR. SRINIVASA: ...given the
8 price code when they send in the request
9 for virtual collocation, they have to
10 specify the type of equipment they would
11 like to virtually collocate.
12 MS. LACY: That's correct.
13 MR. SRINIVASA: And also in
14 the virtual collocation tariff, you allow
15 them to have the vendor of that equipment
16 install that also in the available space.
17 MS. LACY: Yes. In the
18 application process flow before you was
19 prior to Section 26 being developed. So
20 this is really the process flow for Section
21 25.
22 MR. SRINIVASA: Okay.
23 MS. LACY: Because obviously
24 with Section 26 we're not going to cost out
25 the tariffed or non-tariffed equipment.

Page 317

1 But we do not have in place an application
2 process flow for Section 26 at this time.
3 MR. SRINIVASA: Let me see.
4 However, up to 25.84.
5 MS. ERVIN: Since you're
6 familiar with 25 and 26, would you just
7 tell us briefly the difference. Have you
8 got Section 26 with you?
9 MS. LACY: No, I don't. I
10 believe that --
11 MS. ERVIN: Here it is.
12 MS. LACY: Weren't you going
13 to cover that since you were involved with
14 the --
15 MR. FRITTS: I can attempt
16 to do that. The question is the difference
17 or how did we get at 26? Okay. Let me
18 start with Section 25, which is Section 25
19 of the expanded interconnection tariff.
20 MR. SRINIVASA: Right.
21 MR. FRITTS: Which covers
22 virtual collocation. Specific rate
23 elements and sections in that tariff define
24 the equipment to be virtually collocated.
25 Defined: The surveillance equipment and

Page 318

1 all of the necessary components,
2 (inaudible) alarm, everything required.
3 As a result of the
4 mega-arbitration, there was a negotiated
5 revision that came into this tariff under
6 Section 26. Section 26 addresses virtual
7 collocation with some significant
8 differences to 25 specifically and I'll try
9 to name a few of those.
10 The CLEC can provide the
11 equipment to be installed as opposed to
12 selecting from the list. Now, that
13 equipment has to go through the review
14 process and NEBS and clients and the other
15 assessments. The CLEC can select a
16 contractor off of our approved list to
17 install that equipment within the bay.
18 The CLEC can perform all of the
19 remote control surveillance and monitoring
20 of that equipment. And, again, I'm in the
21 new Section 26 and it shifts things towards
22 the CLEC. Again, under Section 26,
23 Southwestern Bell, unless there is
24 different instructions, would not
25 self-initiate activity to repair, maintain

Page 319

1 or do things to that equipment.
2 We would act at the instructions
3 of the CLEC once we have an analyzed
4 diagnosed case of trouble and a pack list
5 and some instructions on what to do. Those
6 are the primary differences between 25 and
7 26.
8 MS. ERVIN: That was
9 actually even more than I needed, but --
10 (Laughter)
11 MR. FRITTS: I'm sorry.
12 Having been involved in that, it just kind
13 of came natural.
14 MS. ERVIN: I was involved
15 with that, too. It was just so long ago.
16 But -- okay. What you have presented us
17 with only applies to virtual collocation as
18 it's occurring in Section 25, because
19 Section 25 is where the responsibility of
20 actually doing this work falls within
21 Southwestern Bell's authority. Correct?
22 MR. FRITTS: You're speaking
23 in terms of what we provided being the
24 flowchart --
25 MS. ERVIN: Yes, the process

Page 320

1 flow charts, or whatever this is.
2 MR. FRITTS: -- for the
3 ordering process.
4 MR. SRINIVASA: That flow
5 chart applies to Section 25.
6 MS. ERVIN: That's correct.
7 Because in Section 26, they're coming to
8 you at that point and saying, "We are
9 planning on installing this particular
10 equipment" or whatever and advising you of
11 it.
12 MR. FRITTS: The processes
13 will be similar except you just communicate
14 different things. They might say "I want
15 to install equipment 'X'" under 25 and it's
16 right out of the tariff, and we cost it;
17 versus under 26 they say, "It's going to be
18 equipment 'X'" and we still have to know
19 that it's "X" but we take it through a
20 different process.
21 MR. SRINIVASA: So in 25,
22 you furnish and install the equipment. In
23 26 they will furnish and install by
24 choosing a contractor, an approved
25 contractor, from the list?